

ANNUAL REPORT 2018

TASCO

NYK GROUP COMPANY

TASCO Berhad (20218-T)



TRANSFORM 2025

Create Better

Connections


Yusen Logistics



CONTENTS

Cautionary Statement With Regard To Forward - Looking Statements

Certain of the statements made in the Annual Report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which are valid only as of the date thereof. TASCOT 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.

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OUR VISION, MISSION AND VALUES



Our new vision describes our ultimate ambition for the future

Connecting people, businesses & communities to a better future - through logistics



This describes the business we need to become - and tells us what we must do to achieve our vision:

To become the world's preferred supply chain logistics company - applying insight, service quality and innovation to create sustainable growth for business and society

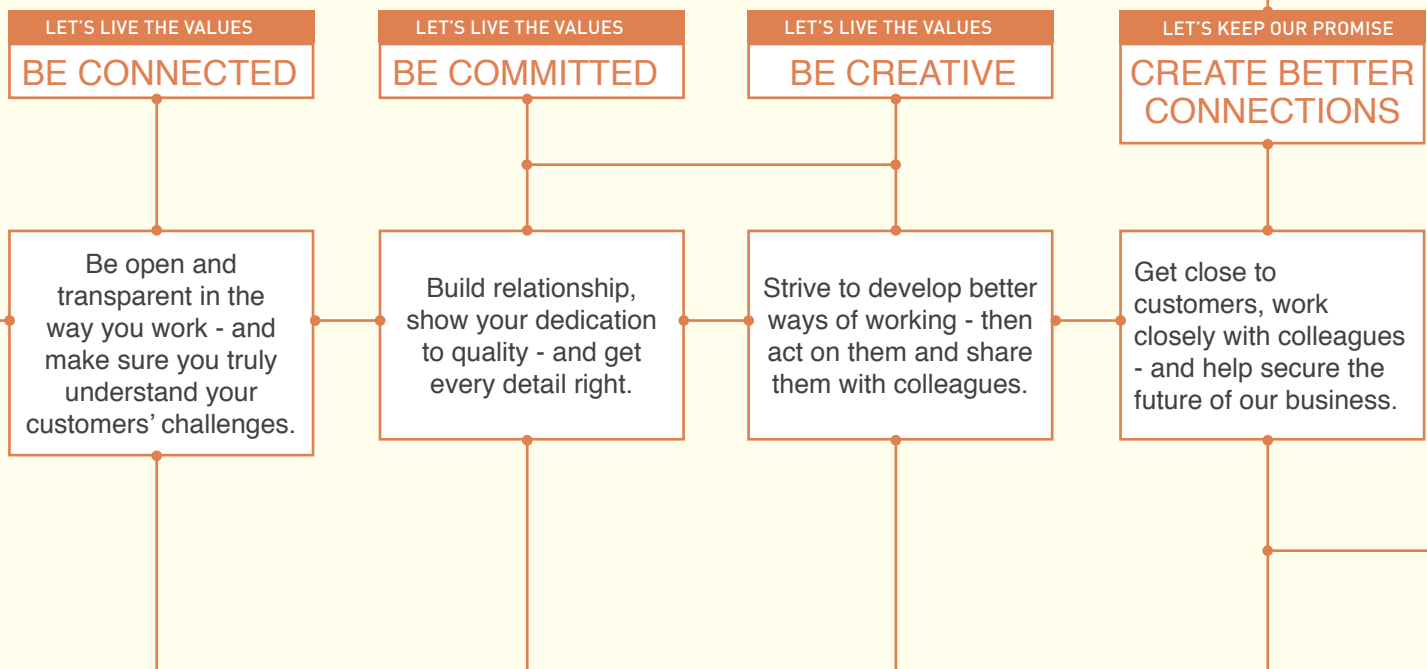


We also have three values that inform our personality and behaviours. A rational one, an emotional one, and a more aspirational one designed to stretch us. vision:

Connected
Committed
Creative

BRAND PROMISE

This is our brand promise. It describes what we aim to deliver time and time again





TASCO

CONTRACT LOGISTIC DIVISION

Customs Clearance
Haulage Transportation
Warehousing Services
Warehouse In-plant Services

COLD SUPPLY CHAIN DIVISION

Cold Supply Chain



HARIMAU EXPRESS

TRUCKING DIVISION

Domestic Trucking
Cross Border Trucking

ABOUT TASCO BERHAD (“TASCO”)

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

TASCO has 29 logistics centres and 2,300 employees in Malaysia. It is a part of the global network of Yusen Logistics Co. Ltd having 567 locations and 24,702 employees worldwide as at 31 March 2018.

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.



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 Kabushiki Kaisha ("NYK")

NYK is listed on the Tokyo Stock Exchange and Nagoya Stock Exchange;

NYK has 62,522 employees globally; 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.

In October 2016, NYK, Kawasaki Kisen Kaisha ("K Line") and Mitsui O.S.K. Line ("MOL") have announced a joint venture agreement to form Ocean Network Express Pte Ltd ("ONE") with the shareholding of 38%, 31% and 31% respectively, to integrate their container shipping businesses. ONE has commenced services on 1 April 2018.

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

YLK has become a wholly-owned subsidiary of NYK and YLK shares were delisted from the Tokyo Stock Exchange on 29 January 2018;

YLK has 567 locations and 24,702 employees worldwide as at 31 March 2018;

YLK is one of the leading international air freight forwarders in Japan; and

Pursuant to a corporate exercise within the NYK Group, YLK became the immediate holding company of TASCO on 2 April 2012. NYK remain the ultimate holding company of TASCO.



DOMESTIC NETWORK

CORPORATE HEAD OFFICE

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

Tel: 603-5101 8888

Fax: 603-5548 8288

www.tasco.com.my



LOGISTICS CENTRES

PENINSULAR MALAYSIA

NORTHERN REGION

- 01. Padang Besar Logistics Centre
- 02. Penang Prai Logistics Centre
- 03. Penang Air Logistics Centre

CENTRAL REGION

- 04. Shah Alam Logistics Centre
- 05. Berjaya Industrial Logistics Centre
- 06. KLIA Air Logistics Centre
- 07. KLIA Distribution Centre
- 08. Ipoh Logistics Centre
- 09. Melaka Logistics Centre

PORT KLANG REGION

- 10. Port Klang Logistics Centre I
- 11. Port Klang Logistics Centre II
- 12. Port Klang Logistics Centre III
- 13. North Port Logistics Centre I
- 14. North Port Logistics Centre II
- 15. Port Klang Container Depot
- 16. Westports Logistics Centre
- 17. Bukit Raja Logistics Centre

“**29 LOGISTICS CENTRES
& 2,300 EMPLOYEES
in MALAYSIA**”



BANGI REGION

- 18. Bangi Logistics Centre I
- 19. Bangi Logistics Centre II
- 20. Bangi Logistics Centre III
- 21. Bangi Container Depot Haulage

SOUTHERN REGION

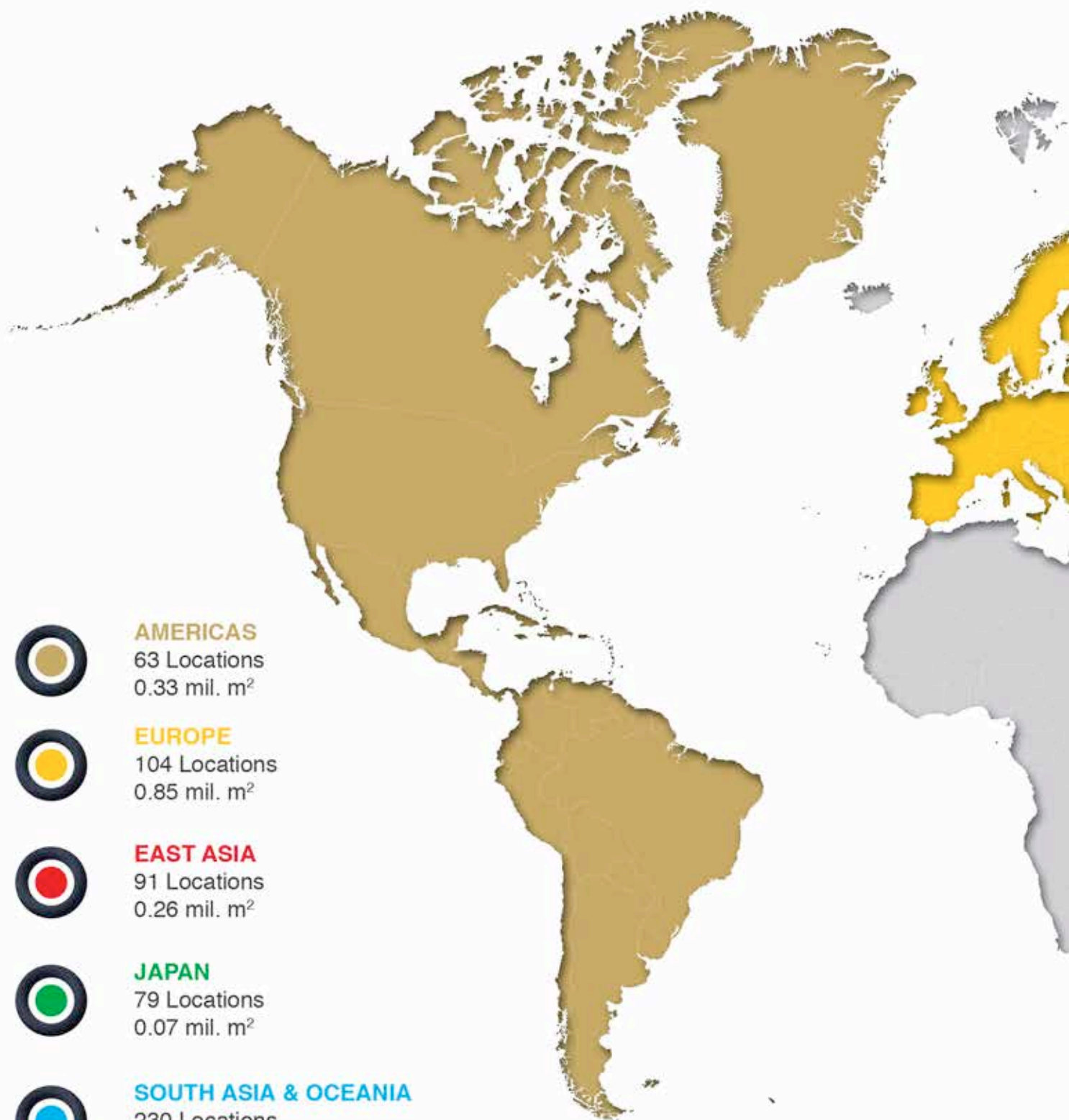
- 22. Johor Bahru Branch Office
- 23. Pasir Gudang Branch Office
- 24. Pasir Gudang Logistics Centre
- 25. Tanjung Pelepas Logistics Centre
- 26. Senai Seelong Logistics Centre

EAST COAST REGION

- 27. Kuantan Port Logistics Centre

EAST MALAYSIA

- 28. Kuching Logistics Centre
- 29. Kota Kinabalu Logistics Centre



Employees

24,702

Locations

567

Warehouse space

2.65
million m²

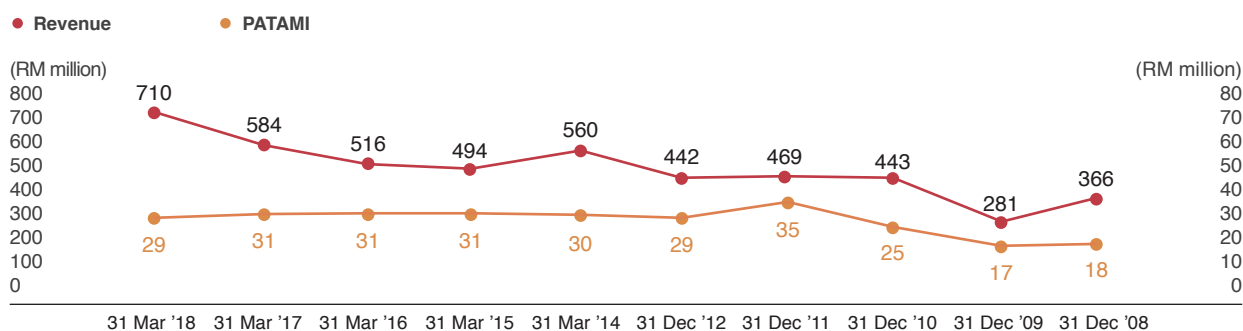
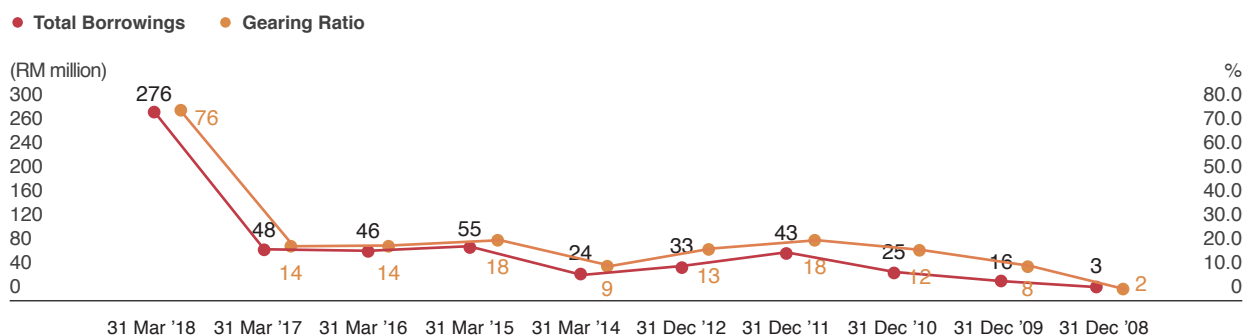


CONSOLIDATED FINANCIAL HIGHLIGHTS

Year/Period Ended	31 Mar '18	31 Mar '17	31 Mar '16	31 Mar '15
Results of operation (RM'000)				
Revenue	710,209	584,402	515,666	494,305
PBTAMI ¹	41,744	43,342	43,979	41,336
PATAMI ²	29,399	30,669	30,606	30,681
Capital expenditures	24,137	14,024	8,393	64,205
Financial position at year/period end (RM'000)				
Share capital (ordinary shares)	100,000	100,000	100,000	100,000
Total assets	748,396	514,191	450,435	431,700
Cash and cash equivalents	80,418	81,700	92,586	57,081
Total liabilities	384,687	172,466	129,679	131,834
Total borrowings	275,947	48,407	46,027	54,795
Shareholder equity	362,391	340,665	319,884	299,097
Amount per share (sen)				
Earnings per share ³	14.70	15.33	15.30	15.34
Dividend per share (Annual) ³	4.50	4.50	4.50	4.50
Ratios (%)				
Shareholder equity ratio	48.4	66.3	71.0	69.3
Return on equity	8.1	9.0	9.6	10.3
Return on assets	3.9	6.0	6.8	7.1
Current ratio	174.5	212.2	227.0	200.4
Gearing ratio	76.1	14.2	14.4	18.3
Dividend payout ratio ⁴	30.6	29.3	29.4	29.3

Notes:

- 1 Profit before taxation after minority interest.
- 2 Profit after taxation after minority interest.
- 3 Calculated based on the total issued shares of 200,000,00.
- 4 Calculated based on gross dividend divided PATAMI.

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

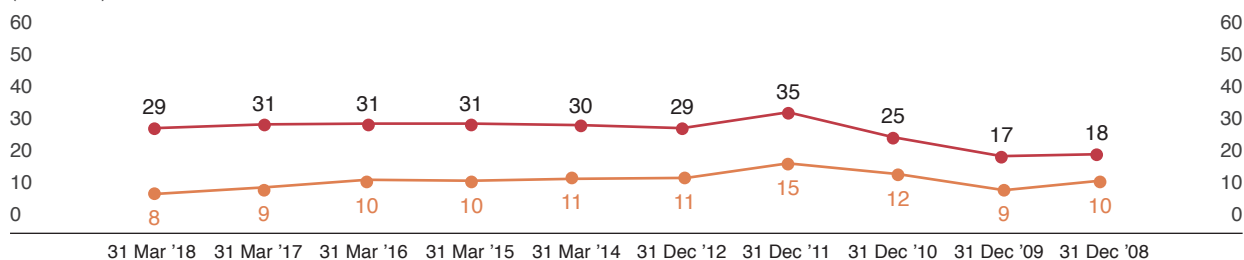
CONSOLIDATED FINANCIAL HIGHLIGHTS

31 Mar '14	31 Dec '12	31 Dec '11	31 Dec '10	31 Dec '09	31 Dec '08
559,613	442,448	469,211	443,362	280,630	366,456
41,958	35,228	37,278	32,724	14,160	22,548
30,409	28,889	34,590	24,776	16,560	18,358
31,801	18,056	49,399	27,834	53,579	84,323
100,000	100,000	100,000	100,000	100,000	100,000
375,847	344,402	347,262	295,897	263,371	246,209
52,461	52,699	49,280	46,927	35,041	46,434
98,062	88,368	106,085	81,757	70,724	65,841
24,179	32,853	42,923	25,133	16,056	2,728
277,133	255,485	240,714	213,763	192,323	180,097
15.21	14.44	17.30	12.39	8.28	9.18
5.17	6.00	6.45	4.57	3.50	-
73.7	74.2	69.3	72.2	73.0	73.1
11.0	11.3	14.4	11.6	8.6	10.2
8.1	8.4	10.0	8.4	6.3	7.5
212.9	237.6	233.0	231.6	208.4	187.0
8.7	12.9	17.8	11.8	8.3	1.5
34.0	41.6	37.3	36.9	42.3	-

REVENUE AND PATAMI

● PATAMI ● Return on equity

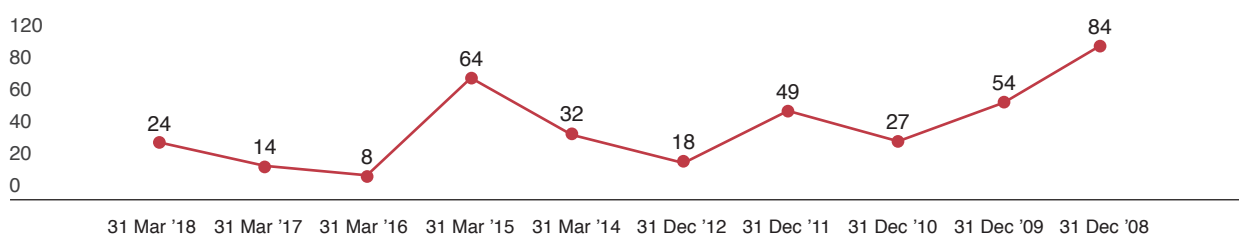
(RM million)



CAPITAL EXPENDITURES

● Capital Expenditure

(RM million)



CHAIRMAN'S STATEMENT



“ For the year in review, TASCO continued to strengthen its business fundamentals and grow new areas of opportunity. Our strategic decision to venture into the cold supply chain segment has begun to show early returns and is set to bolster our overall performance going forward. TASCO is poised to enter a new era of sustainable long-term growth on our journey to success. ”

CHAIRMAN'S STATEMENT**DEAR VALUED STAKEHOLDERS,**

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of TASCO Berhad ("TASCO" or "the Group") for the financial year ended ("FYE") 31 March 2018.

TASCO maintained a strong operational and financial focus to deliver 21.5 per cent revenue growth on the back of improving global economic conditions. However, our profit after tax declined marginally by 3.9 per cent as a result of higher financing costs, rising overheads and intensifying competition on both the domestic and international fronts. The financial year in review saw us continuing to take measures to strengthen business fundamentals and grow new areas of opportunity. I am pleased to report that our strategic decision to venture into the cold supply chain segment has begun to show early returns and is set to bolster our overall performance going forward. It is with confidence that I can say that TASCO is poised to enter a new era of sustainable long-term growth on our journey to success.

IMPROVING ECONOMIC CONDITIONS

Following the turnaround in global economic activity that began in 2016, global growth rose from 3.2 per cent in 2016 to 3.8 per cent in 2017. Growth was driven by robust investment recovery in the advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery among several commodity exporters.

On the domestic front, the Malaysian economy turned in a stronger-than-expected performance of 5.9 per cent growth in 2017 on the back of faster expansion in both private and public-sector spending. One of 2017's key highlights was the rebound in gross exports growth as global demand strengthened. This was the result of higher demand from Malaysia's major trading partners following the upswing in the global technology cycle, investment expansion in the advanced economies and the turnaround in commodity prices. Altogether, the global technology upturn translated into robust demand for electronic and electrical ("E&E") products while the stronger regional demand and the revival in investment activity in the advanced economies lifted exports of non-E&E products. Commodity exports also turned around in 2017 as prices recovered. These developments, among others, had a positive impact on demand for TASCO's services.

COMMENDABLE PERFORMANCE

Amidst this economic backdrop, the Group garnered revenue of RM710.2 million for FYE 31 March 2018 in comparison to RM584.4 million in the preceding year, representing a RM125.8 million (21.5 per cent) year-on-year ("y-o-y") increase. However, the Group's profit before taxation ("PBT") for FYE 31 March 2018 decreased marginally by RM1.5 million (3.5 per cent) from RM43.5 million to RM42.0 million y-o-y, while profit after tax ("PAT") for the year went down by RM1.2 million (3.9 per cent) from RM30.8 million to RM29.6 million y-o-y. The finer details of the Group's segmental performance are spelt out in the Management Discussion and Analysis section of this Annual Report.

SHAREHOLDER VALUE CREATION

We continue to reward shareholders for their confidence in us. In respect of FYE 31 March 2018, we paid shareholders a single-tier dividend of 2.00 sen per ordinary share amounting to RM4.0 million on 26 March 2018. Following this, your Board of Directors declared a single-tier dividend of 2.50 sen per ordinary share amounting to RM5.0 million in respect of FYE 31 March 2018 on 24 May 2018 which was paid out on 13 July 2018. The total single tier dividend declared for FYE 31 March 2018 amounting to 4.5 sen per ordinary share is in keeping with the previous financial year's dividend payout.

CHAIRMAN'S STATEMENT

STRATEGIC INVESTMENTS

As part of our sustainable growth strategy, we have made strategic investments in the cold chain logistics business via our acquisitions of Gold Cold Transport Sdn Bhd ("GCT") and MILS Cold Chain Logistics Sdn Bhd ("MCCL"). GCT is today one of the largest cold chain logistics players in the country in terms of storage capacity size, while MCCL is one of the largest operators in terms of capacity at the strategically-located Westports on Pulau Indah, Port Klang. We completed the acquisition of GCT on 12 July 2017 and brought the balance purchase considerations for MCCL to a conclusion on 1 June 2018. Today, both these strategic investments, which are already making solid contributions to the Group, have enabled us to diversify our business and widen our platform into other vertical areas.

As part of our ongoing diversification strategy, we continue to launch out into new areas that are enabling us to move beyond our traditional core business of factory logistics and Japanese-based customers. Over the years, we have successfully diversified into other industries such as FMCG, chemical, tobacco, F&B and aerospace, amongst others, and have secured a sizable stable of non-Japanese-based customers. For the financial year in review, we ventured into the trading business (via our joint venture collaboration with Yee Lee Berhad, a major trading group in Malaysia) and the retail logistics business. We envisage that as Malaysia grows to become a more prosperous nation, these areas of growth will strengthen the Group's position.

AWARDS AND ACCOLADES

We remain committed to upholding excellence in all that we do and continue to garner recognition on several fronts, particularly from our customers. I am delighted to announce that the Sony Asia Pacific Regional Logistics Office lauded TASCO for our contributions to SONY's operations in Malaysia, while MASKargo and Air France/KLM applauded us for our invaluable contributions to their growth through outstanding sales achievement in 2017 and 2016 respectively. TASCO also received "The Best Partnering Company Award" from the Association of Malaysian Hauliers in recognition of our support of their 2017 training programme in conjunction with the Asian Institute of Logistics.

We were also awarded the title "2017 Malaysia Domestic Logistics Service Provider of the Year" by Frost & Sullivan, while Yusen Logistics Co. Ltd. ("YLK") received the "Best Professional Service Award" from Renesas Electronics Corporation in recognition of YLK's support of the latter's global activities, a major part of which was carried out by TASCO at our Renesas Global Distribution Centre at the KLIA Cargo Complex. These awards and accolades are apt testament of the Group's commitment to setting high standards and to being a prime mover in our industry. Moving forward, we will continue to aim high and offer our clientele innovative solutions.

RESPONSIBLE CORPORATE PRACTICES

Your Board of Directors understands that good governance translates into good business. In line with this, we remain committed to upholding and implementing strong standards of corporate governance as well as robust risk management and internal control measures throughout our organisation. These fundamental components of our business are strengthening investor confidence, safeguarding our corporate reputation and ensuring continued shareholder value creation.

Your Board also recognises that we have a responsibility to secure TASCO's future and to ensure sustainable value creation for our shareholders. As such, we continue to prioritise responsible management and sustainable development across the Group. Our inaugural Sustainability Statement on pages 21 to 28 of this Annual Report underscores our commitment to upholding these key areas. In ensuring the Group's sustainable progress, we are providing the impetus for our businesses to strengthen their operational efficiencies and deliver long-term growth.

CHAIRMAN'S STATEMENT**MOVING FORWARD**

Your Board is quietly confident that TASCO will continue to strengthen its growth momentum in financial year 2019, both in terms of organic growth as well as in relation to our new businesses. As we venture forth, we anticipate continued downside risks such as rising operational costs (in particular labour costs), higher interest costs and keen competition for cargo in our traditional core businesses.

Nevertheless, we will continue to maintain a firm focus on delivering high levels of customer service and innovative logistics solutions. At the same time, we will explore opportunities to expand our logistics capacity where it is beneficial to strengthening shareholder value. We will also leverage on the expertise found within the Group to explore new avenues of opportunity, while bolstering our current position as one of the leading logistics companies in Malaysia.

ACKNOWLEDGMENTS

I wish to acknowledge the many parties who have supported us in our journey to greater success. On behalf of the Board, I would like to convey my sincere gratitude towards the management and staff of TASCO Berhad for their loyalty, diligence and dedication to excellence. My heartfelt gratitude also goes to my colleagues on the Board for their astute insights and wise counsel which have certainly helped us chart a clear pathway amidst intense industry competition.

Last but not least, my deep gratitude to all our valued shareholders, business partners and stakeholders for their continuing trust and confidence in TASCO. Our sincere appreciation also goes to the many fund managers, analysts, research houses and members of the Media for their kind coverage.

As we venture forth as a stronger Group with a keen focus on attaining sustainable long-term growth, I call upon all our stakeholders to lend TASCO their untiring support. Thank you.



Lee Check Poh
Executive Chairman
20 July 2018



“TASCO continues to reinforce its position as one of Malaysia’s leading logistics solutions companies. We continue to make waves in the logistics industry through strategic moves that are taking us out of our traditional logistics playing space into new areas of opportunity.”

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year ended (“FYE”) 31 March 2018, TASCO Berhad (“TASCO” or “the Group”) continued to reinforce its position as one of Malaysia’s leading logistics solutions companies. We continued to make waves in the logistics industry through strategic moves that took us out of our traditional logistics playing space into new areas of opportunity. This included cementing our role in the cold chain logistics business as well as entering into the retail logistics and trading segments, the latter through a strategic tie-up. These developments, coupled with our firm focus on providing a high level of customer service and novel logistic solutions, plus the added capability of being able to tap into the synergistic expertise of the Group, are today helping propel TASCO closer towards achieving our goal of sustainable long-term growth. I am pleased to present the finer details of the financial and operational performance of TASCO for the financial year in review.

OUR BUSINESS

The TASCO Group is a subsidiary of Yusen Logistics Co. Ltd. (“YLK” or “Yusen”), one of the largest logistics companies in Japan and a subsidiary of Nippon Yusen Kabushiki Kaisha. Today, we have 29 logistics centres and 2,300 employees in Malaysia. Via Yusen’s global logistics network, we are affiliated with more than 62,000 employees in 567 locations worldwide. The Group offers integrated logistics solutions covering air, sea and land transportation as well as serves as a one-stop logistics hub that is able to handle domestic and international shipments for customers.

TASCO’s business segments are divided into the International Business Solutions (“IBS”) and Domestic Business Solutions (“DBS”) categories. Our IBS segment encompasses the Air Freight Forwarding division (offering air freight services), and the Ocean Freight Forwarding division (covering sea freight and buyer consolidation services). Meanwhile, our DBS segment encompasses the Contract Logistics division (covering customs clearance, haulage transportation, warehousing and warehouse in-plant services) and the Trucking division (offering domestic trucking and cross border trucking services). In financial year 2018, our newly acquired Cold Supply Chain Logistics (“CSC”) business was added to the DBS portfolio.

OUR STRATEGIES FOR GROWTH**Leveraging on the Cold Chain Logistics Segment**

Where the IBS segment has typically been contributing some 40 per cent of our revenue and the DBS segment some 60 per cent, this is set to change under our foray into the CSC business. With the completion of the acquisitions of Gold Cold Transport Sdn Bhd (“GCT”) and MILS Cold Chain Logistics Sdn Bhd (“MILS”), we today have moved much closer towards achieving our ambition of developing a complete end-to-end solution for the market that will serve as a catalyst for the Group’s growth. By integrating GCT and MILS, two proven domestic cold chain players into our existing air, sea and land freight businesses, we are today able to offer customers synergistic door-to-door supply chain solutions. Currently, there is strong demand for cold chain logistics providers with one-stop logistics solutions, quality services, innovative solutions and advanced facilities. Our offer of an all-inclusive, one-stop solution will see us fulfilling customers’ end-to-end cold chain logistics supply requirements and carving ourselves a niche in the market.

Via the existing combined capacity of the MILS and GCT facilities, we have a total cold room storage capacity of 37,000 pallets plus over 190 refrigerator trucks under GCT – making us one of the biggest cold chain players around. These elements, together with the fact that the margins in the cold chain logistics business are higher than typical margins in the general logistics business, all bode well for TASCO’s long-term prospects. Going forward, we are confident of maintaining our competitive edge in this segment given the high market entry requirements and the limited number of players.

MANAGEMENT DISCUSSION AND ANALYSIS

Capitalising on New Market Realities

Our ability to remain nimble and adapt to new market realities also bodes well for us. Over the mid-term, we will be exploring an e-commerce capability on the cold chain logistics front to reinforce our market position in this segment. With the e-commerce segment set to grow exponentially over the next few years, the demand for larger and smarter warehouses as well as logistics centres to fulfil the entire supply chain's requirements is set to take off. Malaysia is already playing its part in facilitating e-commerce growth and cross-border trade by launching the Digital Free Trade Zone ("DFTZ"). Incorporating three components, namely the eFulfillment Hub, Satellite Services Hub, and eService Platform, the DFTZ will capitalise on the confluence and exponential growth of the internet economy and cross-border eCommerce trade in Malaysia. As e-commerce takes off in a big way, TASCO is well positioned to capitalise on the anticipated demand for logistics-related services and facilities.

Today, as a consequence of the high demand in ASEAN for consumer logistics, many multi-national corporations ("MNCs") are looking at Malaysia as a hub for their distribution activities. On our part, we are matching the strategies of these MNCs by catering to their specific needs. Take for example our RM15.0 million investment to set up a semi-conductor logistics hub at KLIA which is fast becoming a global hub for a key electronics customer. We have been successful in our efforts to attract several large MNCs simply because they have been impressed by our connection to the very strong Yusen global logistics network and our offer of consistently high standards and quality services. Our MNC customers are also drawn in by the fact that they can readily tap the expertise of any of our network personnel anywhere in the world for advice on end-to-end supply chain solutions.

Entering the Trading and Retail Segments

In recent years, we have been undertaking various activities to expand our business beyond our traditional core business of factory logistics and Japanese-based customers. Aside from our new cold chain logistics venture, we have succeeded in diversifying into other areas of opportunity such as the FMCG, chemical, tobacco, F&B and aerospace segments, amongst others, and at the same time secured a sizable base of non-Japanese-based customers.

For FYE 31 March 2018, as part of our ongoing diversification strategy, we took steps to enter into the trading and retail logistics businesses. December 2017 saw us announcing a joint venture with Yee Lee Corp Berhad ("Yee Lee"), a group which owns extensive trading businesses in Malaysia. This partnership is unique in the market in that this is the first time that a supply chain company and a trading company are collaborating together and representing their customers in dealing with vendors.

Targeting petrol kiosks, convenience stores, and F&B outlets, among other types of businesses, the joint venture company, YLTC Sdn Bhd ("YLTC"), aims to make it easier for customers by having them deal with one party only. Currently, owners of petrol kiosks, convenience stores and F&B outlets who have to procure F&B merchandises, need to deal with many manufacturers or wholesalers, thereby increasing their costs in non-core business activities. With this novel approach, these owners or dealers (the buyers) need only deal with YLTC for their replenishment, orders, delivery and storage of stocks at their outlets. Representing these buyers, YLTC will negotiate with suppliers of different goods to supply in-shop items while simultaneously providing inventory management, warehousing and logistics services. A major value-added service will be the system-driven analysis of the Big Data gathered from the outlets' sales activities which will assist YLTC to predict the demand for sales items at the outlets, thereby ensuring that customers do not lose sales due to stock-out situations.

At the time of writing, YLTC has already secured a major client. While a small profit from YLTC will be reflected under TASCO's account at the joint venture level in the initial stages, TASCO is expected to reap substantial benefits from providing contract logistics services (both dry and cold chain warehouse spaces as well as trucking) to YLTC on an arm's length basis. Once the pilot project is rolled out smoothly, it can easily be replicated among other potential clients. This new venture is set to differentiate us from other logistics companies and give us an edge over our competitors. Moreover, with our offer of a full range of end-to-end solutions and our international network, we are able to offer our customers regional coverage.

While there has been substantial investment into these new areas of opportunity and the initial learning curve has been steep, we are heartened by the fact that we have already begun to reap early returns. As we continue with our strategy of prudent diversification, we are optimistic that our new revenue streams will deliver meaningful, sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS**Aligning with the Yusen Group's Roadmap**

For the long-term, TASCO will set its sights on aligning with “Transform 2025”, the Yusen Group's shared vision and strategy for the future. The 2025 roadmap serves as both a reference point and guide for the Yusen Group's businesses. It sets out the guiding principles for how the businesses within the organisation are to conduct business with one another and with their customers. It aims to ensure that Yusen's business strategy is reflected in each region, business unit, operating company, office and individual's priorities.

OUR FINANCIAL PERFORMANCE**Group and Segmental Revenue**

I am pleased to report that TASCO turned in a commendable performance for FYE 31 March 2018. The Group registered a RM125.8 million (21.5 per cent) year-on-year (“y-o-y”) increase in revenue to RM710.2 million for FYE 31 March 2018 against RM584.4 million in the preceding financial year. Revenue growth was mainly attributable to our Domestic Business Solutions (“DBS”) segment which recorded a RM110.7 million (34.4 per cent) increase in revenue from RM321.9 to RM432.6 million y-o-y. Meanwhile, our International Business Solutions (“IBS”) segment saw its revenue grow by RM15.1 million (5.7 per cent) from RM262.5 to RM277.6 million y-o-y.

Within the DBS segment itself, the Contract Logistics (“CL”) division registered a healthy RM49.0 million (20.8 per cent) increase in revenue from RM235.7 million to RM284.7 million y-o-y. The higher revenue was mainly underpinned by strong revenue contributions from the warehouse and in-plant businesses. A global repair parts operation of an electrical and electronics (“E&E”) customer, together with a newly secured electrical appliance customer, coupled with the regional distribution centre or RDC operations of a semiconductor customer, helped boost the revenue of the warehouse and in-plant businesses by some RM34.9 million (38.0 per cent) and RM4.0 million (21.8 per cent) respectively.

Meanwhile the Custom Clearance division within the DBS segment saw its revenue rise by RM8.8 million (10.3 per cent) on the back of increased export shipments from existing E&E, solar panel and musical instrument customers, as well as increased import shipments from paper-related product and automotive customers plus newly-secured tobacco customers. Revenue from the Haulage division increased by RM1.3 million (3.3 per cent) while the Trucking division's revenue edged up RM0.3 million (0.4 per cent). The newly acquired CSC division too added generously to the DBS segments' revenue, contributing post-acquisition revenue of RM61.4 million or 8.6 per cent of the Group's revenue for eight months of FYE 31 March 2018. The CSC division will make a full-year's contribution towards Group revenue in the new financial year.

Within the IBS segment, revenue for the Air Freight Forwarding (“AFF”) division rose marginally by 0.3 per cent (RM0.6 million) from RM170.4 million to RM171.0 million y-o-y. Shipments from printed circuit board, aerospace, tobacco, E&E and capacitor as well as semiconductors customers contributed to this increase. On the Ocean Freight Forwarding (“OFF”) front, there was a significant lift in revenue of RM14.5 million (15.7 per cent) from RM92.1 million to RM106.6 million y-o-y on the back of export shipment contributions by solar panel and aerospace customers, newly-secured accounts involving industrial and consumer goods shipments, coupled with increased import shipments pertaining to office equipment and lighting customers, as well as musical instrument manufacturers.

Group and Segmental Profits

The financial year in review saw TASCO's profit before taxation (“PBT”) drop marginally by RM1.5 million (3.5 per cent) from RM43.5 million to RM42.0 million y-o-y, while profit after tax (“PAT”) reduced by RM1.2 million (3.9 per cent) from RM30.8 million to RM29.6 million y-o-y. This drop in PBT was primarily attributable to the marked increase in finance costs due to our recent M&A of the cold chain logistics businesses which were fully financed via bank borrowings. The PBT from the DBS segment surged RM17.8 million (74.1 per cent) from RM23.9 million to RM41.7 million y-o-y, mainly on the back of the increase in the PBT of the CL and CSC businesses. This was offset by lower PBT from the IBS segment which fell by RM1.8 million (12.7 per cent) from RM14.1 million to RM12.3 million, mainly due to lower margins amidst intensifying competition.

MANAGEMENT DISCUSSION AND ANALYSIS

Within the DBS segment, the PBT of the CL division surged by RM10.6 million (44.1 per cent) from RM25.7 million to RM36.3 million, underpinned by the strong performances of the warehouse and in-plant businesses on the back of higher revenue. The warehouse business contributed an increase in PBT of RM10.5 million (149.8 per cent), inclusive of a one-off gain of RM4.6 million from the disposal of a warehouse located at Port Klang. Meanwhile, the in-plant business contributed an increase of RM1.0 million (21.5 per cent) y-o-y. The new CSC division contributed a PBT of RM7.2 million to the DBS. The Trucking division, in spite of having implemented cost reduction measures, saw its PBT drop by RM0.05 million (3.0 per cent) due to fuel price fluctuations and imbalanced trips i.e. truck trips without return cargo.

Despite the higher revenue derived by the IBS segment, its PBT fell 12.7 per cent (RM1.8 million) from RM14.1 million to RM12.3 million. The PBT from the AFF division rose slightly by RM0.09 million (2.7 per cent), from RM3.6 million to RM3.7 million. However, the OFF business posted a decrease in PBT of RM1.8 million (18.0 per cent), with its PBT dropping from RM10.4 million to RM8.6 million. This was largely caused by low margins due to competitive freight rates and surcharges.

The Group's PBT was also adversely affected by additional costs from the non-business segment. These included higher professional and compliance expenses for corporate merger and acquisition exercises, a RM8.3 million finance cost relating to funding the newly-acquired CSC business as well as unrealised losses on foreign exchange.

Gearing and Liquidity

As at the end of FYE 31 March 2018, TASCO's cash position remained strong with a gross gearing ratio of 0.76 times (FYE 31 March 2017: 0.14 times) after the completion of our acquisition of GCT. Upon completion of our strategic investments in MILS and the acquisition of six plots of land with warehouses in Westports on 1 June 2018, our gross gearing increased to 1.1 times. Our financial position, nonetheless, remains secure given our strong balance sheet. As at FYE 31 March 2018, we had in hand cash and cash equivalents amounting to some RM80.4 million (FYE 31 March 2017: RM81.7 million).

While the Group is in a position to further increase its gearing and capitalise further on investment opportunities, we will continue to adopt a prudent and cautious approach towards further bank borrowings. Ideally, we want to stabilise and grow our new cold chain ventures first before we extend ourselves any further.

Future Commitments

The Group has not made any substantial capital commitments for the new financial year. However, if a good investment opportunity arises, we will certainly assess this and make an objective decision based on the relevant evaluations. In terms of capital expenditure, we may look into the possibility of replacing some of our older trucks or invest in smaller warehouses if the situation warrants. Aside from this, no specific corporate fund raising has been decided as at the time of writing.

BUSINESS RISKS AND MITIGATION MEASURES

As the Group ventures forth in our proven businesses and explores new areas of opportunity, we recognise that we may be exposed to certain anticipated or known risks that may have a material effect on our operations, performance, financial condition and liquidity. In line with Bursa Malaysia's disclosure requirements, we outline some of our key risks and our strategies to mitigate these risks below.

In terms of **Operational Risk**, TASCO continues to implement the necessary safeguards to mitigate the different sorts of hazards that logistics players typically face. To mitigate the loss of assets or customer cargo due to fire, we proactively undertake proper fire safety inspections at regular intervals and enforce the 'strictly no smoking rule' throughout our warehouses. We also take measures to ensure all flammable cargo and materials are placed at designated areas and place fire extinguishers at the proper designated areas. Our warehouse and safety teams are responsible for ensuring proper and adequate maintenance of the firefighting system and equipment, while all our warehouse operators undergo mandatory firefighting training. On top of this, our normal standard trading terms exclude our liability in the event of any loss or damage to our customers' cargoes due to fire.

MANAGEMENT DISCUSSION AND ANALYSIS

On the **Market/Business Risk** front, we continue to set in place measures to counter the likelihood of a loss of major customers/key accounts or the prospect of an account that produces losses. To mitigate the risk of losing any of our major customers, we continue to build close partnerships with them and put in place the necessary performance measures and incentives to promote customer loyalty. At the same time, the director who oversees customer development is tasked with providing progress reports on customers. Our business plan mandates that we diversify our customer base so that we are not totally reliant on any one customer, industry or sector. To limit any instances of a loss-producing account, we work with our customers to revisit the terms, conditions, validity and rates while taking the necessary measures to reduce costs. On top of this, the division head is assigned to follow up and report on the progress of such accounts.

With regard to **Financial Risk** which includes liquidity and cash flow risk (i.e. not having sufficient cash funding and credit facilities to operate our business and fulfil our financial commitments), we are proactively mitigating this by centralising our cash management for better control at our Head Office, ensuring that all our business units have optimum levels of liquidity at all times which are sufficient for our operating, investing and financing activities. We also have in place measures that ensure that each business unit, through efficient working capital management (i.e. accounts receivable and accounts payable management), is able to convert their current assets into cash to meet all demands for payment as and when they fall due. Given the nature of our business, we ensure sufficient credit lines are available to meet our liquidity requirements while ensuring effective working capital management measures within the Group.

When it comes to **Information/System Risk**, we face the risk of loss of business data from improper data backup management as well as the danger of our servers crashing due to viruses or potential cyber-attacks on our IT system. To mitigate instances of business data loss, we leverage on RAID5 hard disks and undertake daily backup of our data to tapes which are stored offsite. Meanwhile, our production servers are covered by next business day warranties. To protect our IT system from viruses or hacker threats, we implement continuous security assessments and measures that ensure all the operating systems in our network are properly updated. At the same time, we ensure up-to-date anti-virus solutions, high grade firewalls and secure network configurations are in place.

OUTLOOK AND PROSPECTS

While the International Monetary Fund predicts that global growth will strengthen to 3.9 per cent for both 2018 and 2019, given certain fundamental frailties in the global economy and ongoing geopolitical tensions, including the beginnings of an intense trade war between the United States and China, global risks remain significant and difficult to predict.

On the domestic front, following Pakatan Harapan's ("PH") victory in the May 2018 elections, economists are still deliberating on the impact of this development on the economy. In its manifesto, PH has pledged to abolish the goods and services tax ("GST"), reintroduce fuel subsidies, abolish toll roads and raise the minimum wages, among other measures. Economists are generally of the opinion that these actions would pose a significant fiscal risk, but only in the absence of offsetting measures. Nevertheless, having declared that it is business and investment-friendly, the new PH government has already made some moves to restore confidence. With its successful experience in governing the two most economically advanced states in Malaysia, as well with the highly-experienced Prime Minister Tun Dr Mahathir at the helm, Malaysia's economic growth is expected to remain healthy.

Bank Negara Malaysia has revised its growth forecast for 2018 upwards and expects real GDP to settle between 5.5 and 6.0 per cent. Domestic demand is expected to remain the primary anchor of growth, underpinned by robust growth in private-sector expenditure. The external sector, meanwhile, is expected to benefit from better global growth, with positive spill-over on domestic economic activities.

MANAGEMENT DISCUSSION AND ANALYSIS

TASCO's prospects continue to be closely linked to the performance of the global and Malaysian economies, both of which directly affect the health of the manufacturing sector and international trade. The Group's logistics business model is particularly vulnerable to the factors that affect the movements of domestic and international cargo. In this respect, improving global and domestic macroeconomic conditions, particularly in relation to robust export performance, growth in the manufacturing sector (including sustained production of E&E products), as well as improvements on the wholesale, retail and F&B fronts, augur well for the Group. However, we are also mindful that should an international trade war eventuate, this may affect the prospects of our international AFF and OFF businesses due to the possible drop in movements of goods and the intense competition that may arise.

We also anticipate that the Group will face other downside risks such as rising operational costs (in particular labour costs), higher interest costs, and keen competition for cargo in our traditional core businesses. On the upside, there are several factors which will continue to reinforce our position of strength and drive our growth momentum. The positive effect of the removal of GST augurs well for domestic businesses as does the cap on the price of petrol which will mean more certainty for businesses like ours.

As we move forward into the new financial year, we will continue to maintain our strategy of delivering innovative logistics solutions and excellent customer service while prudently expanding our logistics capacity where it will strengthen our long-term business and shareholders' value. TASCO's margins will be mainly supported by the full contribution of the cold chain logistics business and the RDC operations at KLIA. We expect the RDC operations to be bolstered by strong growth in the semiconductor market especially in relation to microcontrollers for electrified cars and driver assistance systems as power efficiency becomes increasingly important.

There are also new market opportunities that we are keen to explore. As per capita income increases and people begin looking to live quality lifestyles, there will be increased demand on the consumer side and we are well placed to cater to this. We will also explore opportunities on the halal cold chain side given our current capabilities. With preparations for the 2020 Tokyo Olympics ramping up, there is ample opportunity for both TASCO and Yusen to provide halal logistics support. Malaysia already has a reputation as an international halal hub and we hope to leverage on this.

On another note, we are seeking for opportunities to collaborate with companies who are looking for land in a free commercial zone to undertake manufacturing and processing activities. On our part, we can offer them space on 20-acres of empty land as well as fulfil their logistics and distribution requirements, both at the domestic and regional/international levels.

As we venture forth to capitalise on existing business and new opportunities, we are determined not to rest on our laurels but will up our game to remain relevant to our target audiences. Rest assured that TASCO will remain agile and adaptable to the fast-evolving global landscape and new market realities. As we work diligently to understand our customers' expectations and meet their needs in innovative ways, we are confident of reinforcing our position as a key logistics player and delivering good shareholder value.

Lim Jew Kiat
Managing Director
20 July 2018

INTRODUCTION

As one of the leading logistics companies in Malaysia, our Group undertakes to transport customers' products whether by sea, land or air to their destination as timely, safely and efficiently as possible. In order to contribute to sustainable growth for business and communities, the Group needs to better understand the diversifying corporate social responsibility. To help us do this, in 2017 we have in line with the YLK Group defined our Vision, Mission and Values, and used this to map out our Long Term Vision, "TRANSFORM 2025."

The Vision, Mission, and Values guide everyone who works with the Group. Further enhancing the values provided – namely Insight, Service Quality and Innovation – will enable us to create better connections with our customers, and this will lead to sustainable growth.

OUR BUSINESS STRATEGY

How we deliver our Mission



SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide by Bursa Malaysia Securities Berhad.

Reporting Period

The reporting period for this Sustainability Statement is for the Financial Year Ended 31 March 2018

Scope of Reporting

This Sustainability Statement covers the operations of the Group in Malaysia, including 29 logistics centres throughout Malaysia.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors**Executive Directors****The Management Team**

Our governance of sustainability comes from the top of our organisation. The Board has the ultimate responsibility to ensure sustainability is taken into account when setting the strategic direction of the company.

Stakeholder Engagement

The Company has identified key stakeholders who are impacted by or have the ability to influence the Company's operations and business. Engagement with the stakeholders will assist in better understanding on the sustainability expectations that allows the Company to make business decisions that promote a sustainability society in the future.

The Stakeholder Engagement Matrix below highlights the stakeholder engagement activities that we implemented during the financial year:

Stakeholder	Area of Focus	Platforms and Tools Utilised
Shareholders / Bankers / Media and Investors	Business direction and key corporate development	- Announcements on Bursa Malaysia and Corporate Website - Annual General Meeting / Extraordinary General Meeting - Quarterly Results - Periodic engagements with equity analysts and fund managers
Government / Regulators	Regulation and compliance	- Meetings, briefings and site visits
Industry Peers and Business Partners	Business direction, knowledge sharing and safety procedures	- Meetings, participation in exhibitions, briefings and workshops

SUSTAINABILITY STATEMENT

Stakeholder	Area of Focus	Platforms and Tools Utilised
Customers	Business direction and knowledge sharing	- Meetings - Customer support centre & surveys
Employees	Human capital development, governance, corporate developments and training	- Regular communications via email blasts, newsletter and memo - Training programme and briefings
Local Communities	Education and social assistance	- Engagement during festive occasions, visits and education and development programmes

All the departments are empowered to actively engage with stakeholders and take the necessary steps to address issues raised by stakeholders. The Company believe through active engagement with stakeholders, the Company will be able to obtain valuable insight on their expectations.

Material Matters

The objective of the Group is to provide the facility of advanced and high-quality logistics services to maximise our corporate value through winning the trust of our clients and, ultimately, contributing to the advancement of the economy as a world-class global corporation.

To achieve our objective, our business activities must not only comply faithfully with the by-laws and regulations of each country, as well as international rules, and to be fair in-practice in conformity with social norms. At the same time, our business activities are founded on our human resources, the greatest asset of the Group. We believe that the betterment and enrichment of the capabilities of our manpower will lead to our growth as a truly global company. The Group also puts attention to the quality, environment, occupational safety & health and society.

COMPLIANCE & GOVERNANCE**HUMAN RIGHTS****ENVIRONMENT****QUALITY****SAFETY & HEALTH****CONTRIBUTING TO COMMUNITIES****COMPLIANCE & GOVERNANCE**

TASCO as a public listed company listed at the Main Market of Bursa Malaysia Securities Berhad, apart from the Listing Requirements of Bursa Malaysia, Malaysian Code on Corporate Governance, the Companies Act 2016 and other rules and regulations from Malaysia regulatory bodies, the Group has set forth the Code of Conduct for all directors and employees belonging to the Group to observe and refer to for proper and ethical behaviour.

Our employee Code of Conduct clearly mandates compliance with various international laws governing our business and also mandates that we do not use corrupt or prohibited methods, such as entertainment and gifts to public officials domestically or internationally, and the Group's strong practice is to vigorously enforce that policy.

Full Compliance with the Antitrust Law

We commit to comply with the Competition Act 2010 of Malaysia, and any other laws and regulations to maintain fair trade and competition in all countries where the Group operates. We will not engage in cartel behaviour, acts that impede free and fair competition nor any other act that may invite suspicious of such behaviour. We assure that we do not promote nor participate in any meetings to discuss matters that could lead to the restriction of fair competition in the market.

Upon dealing with business partners, we assure that we will not use our dominant bargaining position to delay or refuse payments, unjustly return or refuse acceptance of products or services of subcontractors.

SUSTAINABILITY STATEMENT

In order to ensure our employees are fully aware of antitrust laws, our Group organises trainings on Antitrust Compliance on a periodic basis. During the financial year, we organised Antitrust Compliance trainings for middle-level management employees at our Southern Region in November 2017 and Northern Region and KLIA in February 2018, where a total of 65 middle-level management employees were trained. Besides our own training, YLK also provided online e-learning antitrust training, and a total of 645 employees of the Group underwent this training in the financial year.

Prohibition of Bribery

The Group requires that our employees and our authorised agents who carry out our operations and our business partners observe the Malaysian Anti-Corruption Commission Act, the US Foreign Corrupt Practice Act, the UK Bribery Act, the Chinese Criminal Law and Anti-Injustice Law, Japan Unfair Competition Prevention Law and any other law which prohibits corrupt practices and bribery.

Domestically or internationally, against any public or private individuals, direct or indirectly, we will not provide, offer or promise to pay, nor will we accept, request or agree to receive any sort of bribe or similar transaction in order to gain unlawful benefit.

Gift-giving and Entertainment

The Group will not engage in gift-giving and business entertainment exceeding the norms of social etiquette in our relationship with our customers and business partners. Also, we shall not accept gifts, entertainment, etc., that may lead to personal gain.

Prohibiting Conflict of Interest

Except with the approval of the Company, individuals belonging to the Group will not serve as director, advisor, employee, agent, etc., for other business enterprises or organisations. We engage vendors in trade with fairness and impartiality and will not compromise the interests of the Company by promoting the interests of one individual, relatives, friends or acquaintances or designated organisations.

QUALITY

The Group committed to delivering high quality and effective services that contributes to a better future for diversified needs and demands of our customers and society. This commitment is driven by our corporate mission to become the world's preferred supply chain logistics company, and by our values and behaviours under management initiatives.

CERTIFICATION AND APPRECIATION AWARDS

In order to provide and maintain quality services to our customers, the Group fully committed in maintaining the following certified status:-

- i. Major branches in the Group, Shah Alam Logistics Centre, KLIA Air Logistics Centre, Port Klang Logistics Centre I, Penang Air Logistics Centre, Penang Prai Logistics Centre and Berjaya Industrial Logistics Centre were accredited ISO 9001:2008.
- ii. Berjaya Industrial Logistics Centre was accredited ISO 14001:2015 and Food Safety System Certification ISO 22000.
- iii. Westports Logistics Centre was accredited Food Safety Management System ISO 22000.
- iv. KLIA Air Logistics Centre is certified TAPA FSR (Facility Security Requirements) by the Transported Asset Protection Association ("TAPA").

SUSTAINABILITY STATEMENT

- v. Trucking service is certified TAPATSR (Trucking Security Requirements) by the Transported Asset Protection Association ("TAPA").
- vi. Awarded by JAKIM HALAL certification by Department of Islamic Development Malaysia – has complied with Islamic Law & Malaysia Halal Standard for Transportation & Warehousing for Penang Prai Logistics Centre, Berjaya Industrial Logistics Centre and Westports Logistics Centre.
- vii. Awarded with Good Distribution Practice in Medical Device (GDPMD) by TUV Nord Malaysia for two warehouses – Shah Alam Logistics Centre and Port Klang Logistics Centre I.

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 various authorities over the years. The following are the awards that the Group gained for the recent years:-

Year 2017

Please refer to page 60 and 61 of this Annual Report.

Year 2016

16 October	Best Customer Service & Complaints Management for General Cargo by Suruhanjaya Pengangkutan Awam Darat (SPAD)
21 December	Categorised as Platinum Priority Business Centre member by Maskargo Sdn Bhd

Year 2015

14 April	2015 Frost & Sullivan Warehouse Management Company of the Year
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Year 2014

4 April	TAPA TSR-2012 Level 3 Category : C (10-30 trucks) by SGS (Malaysia) Sdn Bhd
12 May	3rd prize for the South Asia & Oceania Region Quality Kaizen Award

The Group consistently work to find better ways of delivering our services and improving our quality to our customers through kaizen activities at every level of our business. We strive to achieve the highest performance standard and quality logistics operations to maintain customers' satisfaction and trust.

TRAINING AND DEVELOPMENT

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, 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.

During the financial year, the following training courses were attended by our employees:-

Type of Training	Month & Year	No. of Employee
ISO 9001 : 2015 Internal Auditor Training	April 2017	24
	October 2017	29
Briefing by Selangor Customs – Bonded Warehouse Rules & Regulations/Operations	May 2017	48
PERODUA Workshop – Training on Custom Clearance	May 2017	14
Leave and Absenteeism in Employment	May 2017	2
Microsoft Excel 2010 (Intermediate)	July 2017	23
	August 2017	48
Microsoft Excel 2010 (Advance)	August 2017	40
	September 2017	25
	October 2017	19
	November 2017	26

SUSTAINABILITY STATEMENT

Type of Training	Month & Year	No. of Employee
Logistics and Commerce / Last Mile Delivery	August 2017	2
Dangerous Goods Refresher Course	August 2017	1
	October 2017	2
Leave and Absenteeism in Employment	May 2017	2
Good and Service Tax & New Companies Act 2016 Workshop	August 2017	2
Custom Procedure Training	August 2017	27
	November 2017	22
	March 2018	33
ISO 9001 : 2015 Interpretation	September 2017	26
Advocacy Sessions to Enhance Quality of Management Discussion & Analysis (MD&A) for Chief Executive Officers and Chief Financial Officers for Listed Issuers	October 2017	1
Warehouse & Transport Training	November 2017	22
Microsoft Word (Basic/Intermediate)	January 2018	16
How to be an Effective Manager	January 2018	23
Microsoft Power Point (Basic/Intermediate)	January 2018	40
	February 2018	26
Email Etiquette Training	January 2018	21
S223 And S228 – Related Party transactions under the Companies Act 2016 Vis-à-vis The Bursa's Listing Requirements	February 2018	1
Issues Faced by Employers Handling an Employee's Misconduct	March 2018	1

HUMAN RIGHTS

The Group respects international norms on human rights and will not engage in acts that violate human rights and the dignity of the private individual in any of our business activities and we also respect the rights of all persons and will not engage in discrimination action or make discriminatory remarks based on gender, age, nationality, ethnicity, creed, religion, occupation, social status, appearance, illness or disability.

We will not engage in libellous or slanderous acts that violate human dignity, abusive acts that may be regarded as harassment or any other act that may be misinterpreted as harassment, without any exception.

We will pay due attention to the social responsibility of business corporations and will not allow forced labour or child labour nor conduct trade with business enterprises engaged in such acts.

We will observe labour contracts and other agreements with attention to the protection of the rights of workers established in international treaties and in laws and regulations of each country or region.

SAFETY & HEALTH

Maintenance of a safe and healthy working environment is one of the priorities for the Group. Our Group is engaged in keeping the working environment comfortable for workers by actively conducting measures that maintain and promote the sound physical and mental health of workers.

SUSTAINABILITY STATEMENT

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 material safety issues at work place and audits were conducted to ensure that safety policies and guidelines were being followed. Safety trainings programme were conducted at all the branches and warehouses aimed at creating awareness and to promote safety among the employees and the customers.

During the financial year, safety and health trainings were attended by our staffs to update their knowledge and improve their skills. The trainings attended are as follows:-

Type of Training	Month & Year	No. of Employee
Security Fire Fighting	July 2017	29
First Aid Awareness Course	October 2017	26
Safety and Security Awareness	October 2017	44

The firefighting 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) Driver Defensive & Safety Training

Defensive driving is essentially driving in a manner that utilises safe driving strategies to enables drivers to address identified hazards in a predictable manner. Trainings assist in improving drivers' driving skills by reducing their driving risks by anticipating situations, making safe well-informed decisions and also gained knowledge on fuel efficient driving techniques. Attendance of our drivers for the defensive driving and other related trainings is as follows:-

Type of Training	Month & Year	No. of Employee
Defensive & Safety	April 2017	40
	June 2017	39
	September 2017	20
	October 2017	40
	November 2017	62
	December 2017	16
	January 2018	62
HINO Driver Familiarization	June 2017	30
Safety & Eco-cien	June 2017	15
	September 2017	20

c) Certification of Forklift Operators

A forklift is a powerful tool that allows the movement and storage of product and materials efficiently and safely, provided that the employer provides the correct equipment and properly trains its operators. Each year forklift accidents result in the loss of life, significant personal injuries and damages to products and property. Most forklift accidents are the result of driver error. Therefore management has emphasized that all forklift driver must be trained and certified. Attendance of the trainings conducted is as follows:

Month & Year	No. of Employee
July 2017	13
August 2017	33
September 2017	22
January 2018	15
Total	83

SUSTAINABILITY STATEMENT

ENVIRONMENT

The Group is also committed to environmental protection and stewardship. The Group recognises that pollution prevention, biodiversity and resource conservation are keys to a sustainable environment and will effectively integrate these concept into our business decision-making.

The following are being carried out:-

Recycling of waste is conducted at all major warehouses and offices.
Reduce emissions by our vehicle fleet maintenance programme and through the purchase of new trucks that have EURO engine specifications to lower smoke emission levels.
Drivers were sent for training to enhance their skill to drive in a fuel saving condition and use vehicle efficiently.
Use of battery operated handling equipment and gas powered forklifts to reduce noise and pollution.
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.
Plan journeys effectively and encourage drivers to drive safely and efficiently to reduce fuel costs and improve the environmental and safety performance.
New warehouses are designed to take maximum advantage of natural lighting.

CONTRIBUTING TO COMMUNITIES

Donation

As a part of our company Corporate Social Responsibility activities, we have annually held a collection among our staff to be donated to orphanage or old folks homes during the fasting month. Our Company also contributed to the collection fund. For the financial year, a total of RM5,000.00 has been donated to Rumah Ehsan Warga Emas of Kuala Kubu Bharu.

Internship Programme

The Group regularly accepts students from higher institutes of education into our internship training programme as part of our commitment to the community. The objective of our internship programme is to provide students with exposure to real work experiences that will provide them with opportunities to explore their interests and develop professional skills and competencies. Over the years, the Group has taken in students into its internship programme from Tunku Abdul Rahman University College, Universiti Selangor, Universiti Teknologi Mara, Nottingham University Malaysia, Universiti Putra Malaysia, Universiti Tunku Abdul Rahman, Universiti Malaysia Terengganu, Universiti Malaysia Kelantan, Universiti Utara Malaysia, Malaysia University of Science & Technology and Universiti Kuala Lumpur.

During the financial year, the Group accepted 77 students from various institutes of higher education into its internship programme.

MOVING FORWARD

As a conscientious corporate citizen, the group genuinely committed to balancing out our good economic performance with responsible Environment and Social consideration. Even as we focus our efforts on delivering a sustainable performance on the Economic, Environmental and Social fronts, we will work hard to ensure that the notion of sustainability becomes embedded within our working culture in a more prominent manner.

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

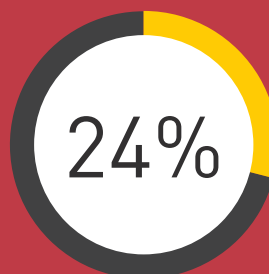
REVENUE RATIO
FYE 31.03.2018

REVENUE
FYE 31.03.2018



AIR FREIGHT FORWARDING

- ✓ Air Freight Services

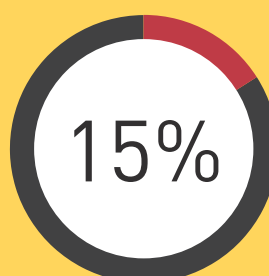


RM171.0
million



OCEAN FREIGHT FORWARDING DIVISION

- ✓ Sea Freight Services
- ✓ Buyer Consolidation Services

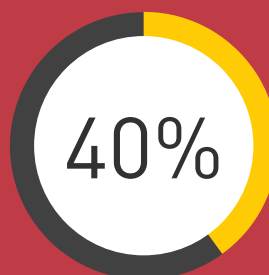


RM106.6
million



CONTRACT LOGISTICS DIVISION

- ✓ Customs Clearance
- ✓ Haulage Transportation
- ✓ Warehousing Services
- ✓ Warehouse In-plant Services

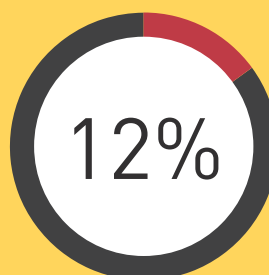


RM284.7
million



TRUCKING DIVISION

- ✓ Domestic Trucking
- ✓ Cross Border Trucking

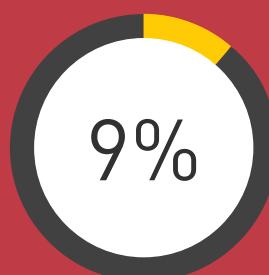


RM86.5
million



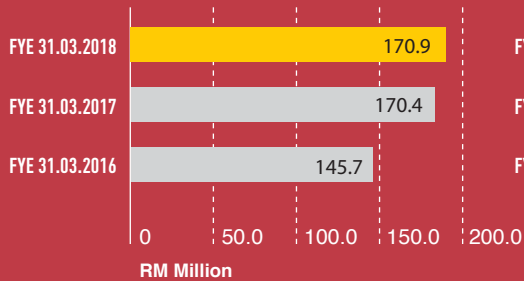
COLD SUPPLY CHAIN DIVISION

- ✓ Cold Supply Chain

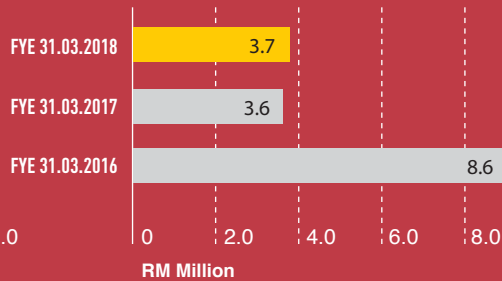


RM61.4
million

REVENUE (MILLION RM)



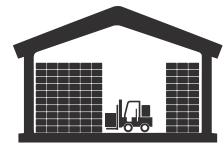
PROFITS FROM OPERATIONS (MILLION RM)



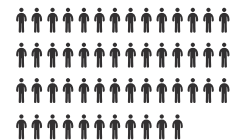
RESOURCE FACILITIES



>350 Units
Prime Movers & Trucks



>250,000m²
Warehouse Space



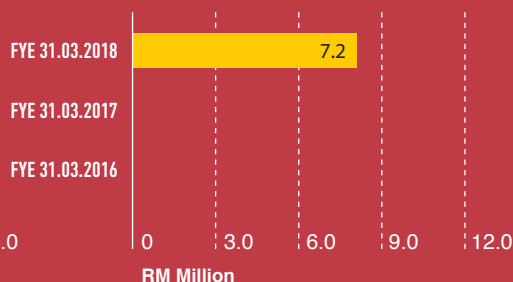
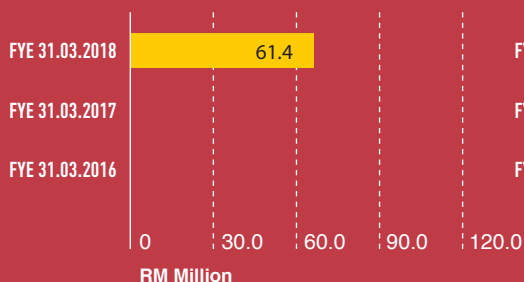
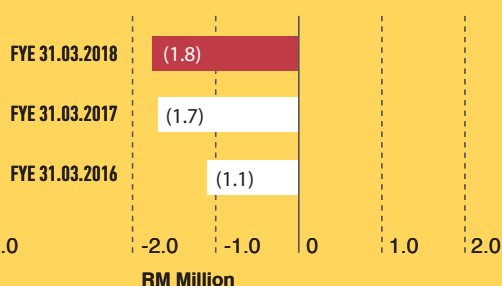
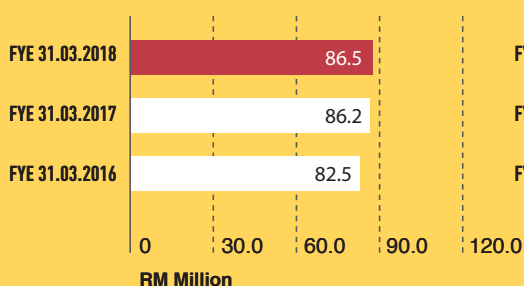
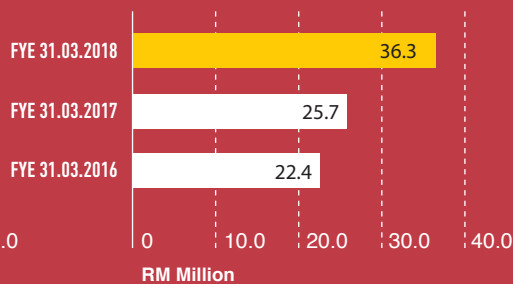
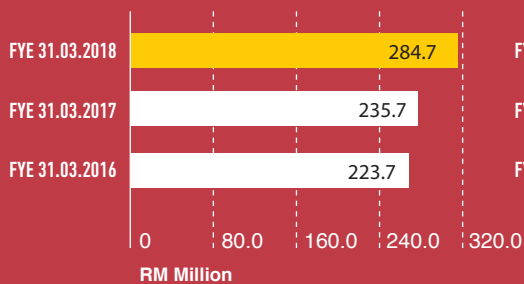
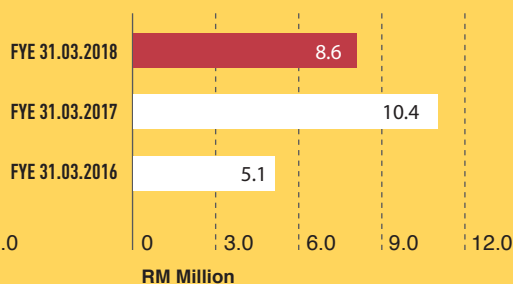
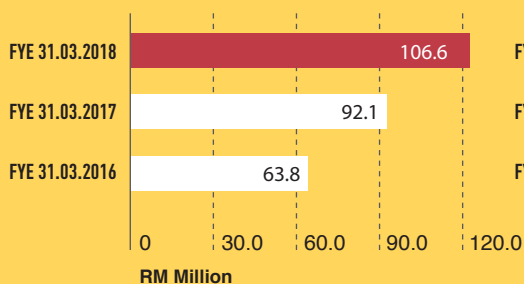
Domestic: >2,300
Worldwide: >62,000*
Employees



29 Logistics Centres
Domestic Network



567 Locations
under the
Global Network



* Under the global
network of NYK Group



BOARD OF DIRECTORS

LEE CHECK POH	<i>Non-Independent Executive Chairman</i>
LIM JEW KIAT	<i>Non-Independent Managing Director</i>
TAN KIM YONG	<i>Non-Independent Deputy Managing Director</i>
MASAKI OGANE	<i>Non-Independent Executive Director</i>
YASUSHI OOKA	<i>Non-Independent Non-Executive Director</i>
LEE WAN KAI	<i>Non-Independent Executive Director</i>
KWONG HOI MENG	<i>Independent Non-Executive Director</i>
RAYMOND CHA KAR SIANG	<i>Independent Non-Executive Director</i>
RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER	<i>Independent Non-Executive Director</i>

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 PLT**

Chartered Accountants
 Wisma Selangor Dredging
 11th Floor, South Block
 142-A Jalan Ampang
 50450 Kuala Lumpur

PRINCIPAL BANKERS**MALAYAN BANKING BERHAD**

MUFG BANK (MALAYSIA) BERHAD
 (Formerly known as Bank of
 Tokyo-Mitsubishi UFJ (Malaysia)
 Berhad)

MIZUHO BANK (MALAYSIA) BERHAD**STOCK EXCHANGE****MAIN MARKET****BURSA MALAYSIA SECURITIES
BERHAD**

Sector : Trading / Services
 Stock Name : TASCO
 Stock Code : 5140

WEBSITE

www.tasco.com.my

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

KWONG HOI MENG

Independent Non-Executive Director
 Member

BOARD OF DIRECTORS



FROM LEFT TO RIGHT:

- | | |
|--|--|
| 1. Raymond Cha Kar Siang
Independent Non-Executive Director | 6. Tan Kim Yong
Non-Independent Deputy Managing Director |
| 2. Lee Wan Kai
Non-Independent Executive Director | 7. Yashushi Ooka
Non-Independent Non-Executive Director |
| 3. Masaki Ogane
Non-Independent Executive Director | 8. Kwong Hoi Meng
Independent Non-Executive Director |
| 4. Lim Jew Kiat
Non-Independent Managing Director | 9. Raippan s/o Yagappan @ Raiappan Peter
Independent Non-Executive Director |
| 5. Lee Check Poh
Non-Independent Executive Chairman | |

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 5 years other than traffic offences, if any.

PROFILE OF BOARD OF DIRECTORS

NAME	LEE CHECK POH
POSITION	Non-Independent Executive Chairman
AGED	69
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	24 April 1989

**Qualification**

Bachelor of Arts in Economics (Hosei University, Japan)
Master of Arts in Economics (Lakehead University, Canada)

Other Directorship in Public Company

None

Experience

- Currently appointed as the Executive Chairman
- Joined the Group in 1977 and appointed as a Director and the Managing Director in 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
- Was appointed as the Chairman of Yusen Logistics (Singapore) Pte. Ltd. and Chief Regional Officer of Yusen Logistics South Asia Oceanic Region from April 2015 to June 2018
- Was appointed as the Director / Executive Officer of Yusen Logistics Co. Ltd. from April 2015 to March 2018
- Currently appointed as Director / Corporate Officer of Nippon Yusen Kabushiki Kaisha since April 2018

Training

Email Etiquette Training

PROFILE OF BOARD OF DIRECTORS

NAME	LIM JEW KIAT
POSITION	Non-Independent Managing Director
AGED	57
NATIONALITY	Malaysian
GENDER	Male
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

Email Etiquette Training

NAME	TAN KIM YONG
POSITION	Non-Independent Deputy Managing Director
AGED	56
NATIONALITY	Malaysian
GENDER	Male
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 & Administrators (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

Advocacy Sessions to Enhance Quality of Management Discussion & Analysis ("MD&A") for Chief Executive Officers and Chief Financial Officers of Listed Issuers

PROFILE OF BOARD OF DIRECTORS

NAME	MASAKI OGANE
POSITION	Non-Independent Executive Director
AGED	49
NATIONALITY	Japanese
GENDER	Male
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) 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

Issues Faced by Employers in Handling an Employee's Misconduct

NAME	YASUSHI OOKA
POSITION	Non-Independent Non-Executive Director
AGED	56
NATIONALITY	Japanese
GENDER	Male
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)
- He was in Hong Kong for four years (2010 to 2014) before being appointed as an Executive Director of the Company

Training

S223 and S228 – Related Party Transactions under the Companies Act 2016 vis-à-vis The Bursa's Listing Requirements

PROFILE OF BOARD OF DIRECTORS

NAME	LEE WAN KAI
POSITION	Non-Independent Executive Director
AGED	42
NATIONALITY	Malaysian
GENDER	Male
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 Marketing Director
- Appointed as Operation Director in charge of Supply Chain Solutions Function from June 2014 to December 2017
- 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

Email Etiquette Training

NAME	KWONG HOI MENG
POSITION	Independent Non-Executive Director
AGED	51
NATIONALITY	Malaysian
GENDER	Male
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. He is also the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration 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

- GST Conference 2017
- 2018 Budget Seminar
- National GST Conference 2018

PROFILE OF BOARD OF DIRECTORS

NAME	RAYMOND CHA KAR SIANG
POSITION	Independent Non-Executive Director
AGED	47
NATIONALITY	Malaysian
GENDER	Male
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

S223 and S228 – Related Party Transactions under the Companies Act 2016 vis-à-vis The Bursa's Listing Requirements

NAME	RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
POSITION	Independent Non-Executive Director
AGED	74
NATIONALITY	Malaysian
GENDER	Male
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. Retired as the Deputy Director General of the Industrial Relations Department. Currently, the Managing Consultant of Inforite IR Consultancy

Training

- I am ready to manage risks
- Leading Change @ The Brain

PROFILE OF KEY MANAGEMENT

NAME	HARIS FAZAIL BIN HAROON
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AGED	53
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NATIONALITY	Malaysian
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GENDER	Male
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Corporate Director
Transport and Haulage Group

Qualification: Advanced Diploma in Business Administration (Transport)

Working Experience:-

- Joined the company in 1995 as an Executive
- Appointed as Corporate Director in 2011
- In charge of the Transport and Haulage Group
- 23 years of working experience in the trucking business

NAME	MALCOLM WADDELL
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AGED	58
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NATIONALITY	British
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GENDER	Male
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Corporate Director
Business Development - Non-Japanese

Qualification: Bachelor of Science in Mathematics

Working Experience:-

- Joined the Company in 2010 as Corporate Director
- In charge of Business Development of Non-Japanese Total Logistics Sales
- 37 years of experience in international business development and supply chain solutions

NAME	SUNG BOON LEONG
-------------	-----------------

AGED	60
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NATIONALITY	Malaysian
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GENDER	Male
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Corporate Director
Northern Region Head

Qualification: Bachelor of Social Science in Economics and Psychology

Working Experience:-

- Joined the Company in 1989 as an Officer
- Appointed as Corporate Director in 2016
- In charge of Northern Region branches
- 29 years of logistics experience working in the Company

NAME	MOHD SUFFIAN BIN MOHD SAID
-------------	----------------------------

AGED	50
-------------	----

NATIONALITY	Malaysian
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GENDER	Male
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Corporate Director
Customs Clearance Group

Qualification: Bachelor of Arts in Business Administration

Working Experience:-

- Joined the Company in 2008 as Deputy General Manager
- Appointed as Corporate Director in 2016
- In charge of Customs Clearance Group
- 27 years of logistics and supply chain experience

NAME	DORAIRAJ A/L SENGARAM
-------------	-----------------------

AGED	52
-------------	----

NATIONALITY	Malaysian
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GENDER	Male
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Corporate Director
Operations

Qualification: Bachelor of Arts in Business Administration

Working Experience:-

- Joined the company in 2011 as General Manager
- Appointed as Chief Operating Officer in December 2017
- Appointed as Corporate Director in 2016
- 28 years of logistics experience

NAME	CHE WUI CHING
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AGED	44
-------------	----

NATIONALITY	Malaysian
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GENDER	Female
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Corporate Director
Planning Group

Qualification: Bachelor of Commerce in Accounting

Working Experience:-

- Joined the Company in 1999 as an Assistant Supervisor
- Appointed as the Corporate Director in 2016
- In charge of the Planning Group
- 21 years of working experience in accounts and finance

PROFILE OF KEY MANAGEMENT

NAME	MASANORI TAKAHASHI
AGED	48
NATIONALITY	Japanese
GENDER	Male

General Manager
Total Logistics Sales Division - Japanese sales

Qualification: Bachelor of Laws

Working Experience:-

- Joined the company in 2015 as General Manager
- Joined Yusen Air & Sea Service Company in 1994
- In charge of Japanese Total Logistics Sales
- 24 years of working experience in air freight forwarding and ocean freight forwarding business
- Worked for Yusen Japan, Yusen USA and Yusen Mexico before being assigned to Malaysia

NAME	LIM CHIN LEE
AGED	46
NATIONALITY	Malaysian
GENDER	Male

General Manager
Total Logistics Sales Division – Non- Japanese Sales

Qualification: Bachelor of Commerce in Marketing and Management

Working Experience:-

- Joined the Company in 2000 as an Executive
- Promoted to General Manager in 2016
- In charge of Non-Japanese Total Logistics Sales
- 20 years working experience in total logistics sales

NAME	KONG PUI KIN
AGED	48
NATIONALITY	Malaysian
GENDER	Male

General Manager
International Freight Forwarding Group

Qualification: Bachelor of Arts in Business Management

Working Experience:-

- Joined the Company in 2012 as Deputy General Manager
- Promoted to General Manager in 2016
- In charge of International Freight Forwarding
- 12 years of air freight forwarding experience

NAME	LAWRENCE QUEK HWAI CHOO
AGED	50
NATIONALITY	Malaysian
GENDER	Male

Deputy General Manager
Southern Region Head

Qualification: Diploma in Business Management

Working Experience:-

- Joined the company in 2010 as Manager
- Promoted to Deputy General Manager in 2016
- In charge of Southern Region branches
- 30 years of logistics working experience

Note :

1. No Key Senior Management has any family relationships with any directors and/or major shareholders of the Company.
2. No Key Senior Management has any conflict of interest with the Company.
3. No Key Senior Management has been convicted of any offences within the past 5 years other than traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW 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 (“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.

BOARD LEADERSHIP AND EFFECTIVENESS**I Board Responsibility****Internal Organisation Structure**

As at 30 June 2018, the Board comprises 9 members, including 3 Independent Non-Executive directors. The Board had also established the following 3 Board Committees and at management level a Risk Management Committee to assist the Board in carrying out its fiduciary duties. The Board Committees are:

- (a) Nominating Committee
- (b) Remuneration Committee
- (c) Audit Committee

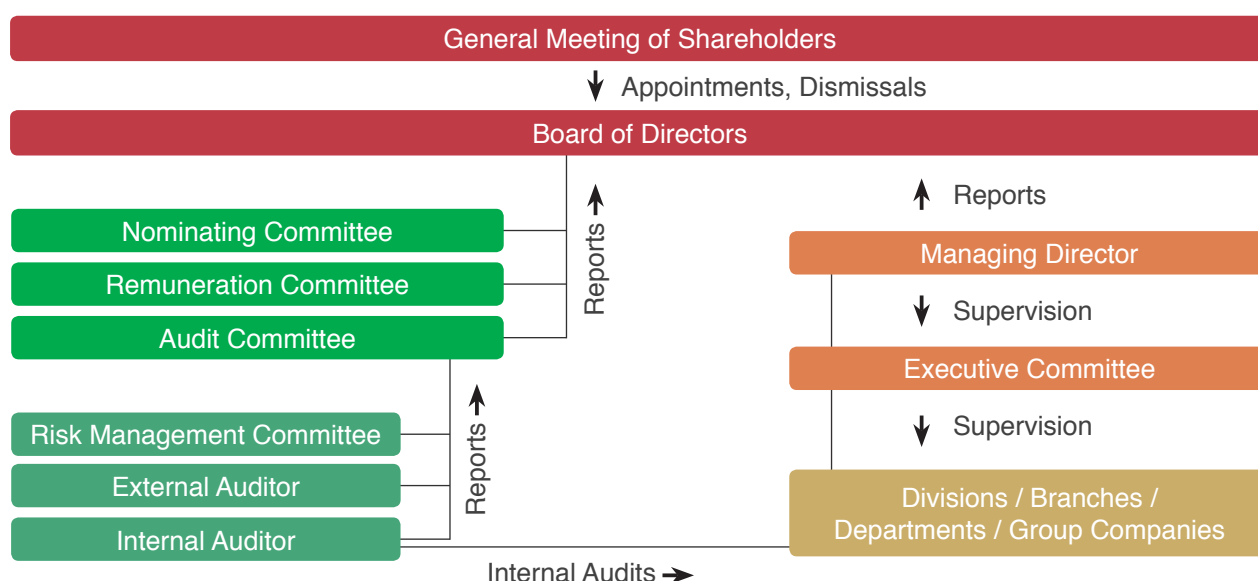
These Board Committees deliberate on particular issues and report their findings and recommendations to the Board. However, the ultimate responsibility for all decisions lies with the entire Board.

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.

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.

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 OVERVIEW STATEMENT



Board Charter and Directors' Code of Conduct and Ethics

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, 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. The Board Charter would be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibility.

Whistleblowing Policy and Procedure

The Board encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

As at to-date, there was no complaint received.

Succession Planning

The Board reckoned the importance of succession planning to ensure the sustainability and continuity of the Group. All candidates appointed to senior management positions are of sufficient caliber and that there are programmes to provide for the orderly succession of senior management. Succession planning also includes appointing, assessing, training, fixing the compensation of and where appropriate, replacing senior management when necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT**Qualified Company Secretaries**

The Board would ensure the Company is supported by qualified, experienced 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 2016 ("Act").

The Company Secretary plays an important role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Directors have ready and unrestricted access to the advice and services of the Company Secretary. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

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

Board meeting

During the financial year, five (5) Board meetings were held and all Directors fulfilled the requirement stipulated by Bursa Malaysia Securities Berhad ("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 required 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 the furtherance of their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the Company's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from Directors both for the Company's own records and for the purposes of meeting statutory obligations as well as obligations arising from the Main Market Listing Requirements ("LR") of Bursa Malaysia and other regulatory requirements. The Board acknowledges the fact that the Chairman is entitled to the positive support of the Company Secretary in ensuring the effective functioning of the Board.

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

None of the Directors held directorship in other listed company. Adequate time and attention have been contributed to the Company's business affairs.

Details of the attendance at Board and Board Committee meetings are set out in the relevant sections of this Statement.

To facilitate the Directors' planning, Board and Board Committee meetings are usually fixed immediately after the end of the financial year end.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II 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 2018 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	4/5
Lim Jew Kiat (Managing Director)	Executive	No	5/5
Tan Kim Yong (Deputy Managing Director)	Executive	No	5/5
Masaki Ogane	Executive	No	5/5
Yasushi Ooka	Non-Executive	No	5/5
Lee Wan Kai	Executive	No	5/5
Raymond Cha Kar Siang	Non-Executive	Yes	5/5
Kwong Hoi Meng	Non-Executive	Yes	5/5
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	5/5

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

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

The Board 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 LR that requires at least 1/3 of the Board to comprise Independent Non-Executive Directors. However, it is not in line with Practice 4.1 of the Code where it requires at least half of the Board members comprises independent directors. Necessary steps are taken to meet the requirements of the Code as mentioned above.

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.

Tenure of Independent Directors

Practice 4.2 of the Code recommends that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the Independent Director as a Non-Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 4.2 of the Code also recommends that the Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

The Board does not have term limit for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The caliber, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

The Independent Directors of the Company who have served for a cumulative term of more than nine (9) years are Mr. Kwong Hoi Meng, Mr. Raymond Char Kar Siang and Mr. Raippan s/o Yagappan @ Raiappan Peter.

The Board has decided to retain them as Independent Directors notwithstanding their services for a cumulative term of more than nine (9) year as Independent Directors after assessment and recommendation by the Nominating Committee.

Nevertheless, in line with Practice 4.2 of the Code, the Board will seek approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain them as Independent Director based on the following justifications:-

- They have fulfilled the criteria under the definition of Independent Director as stated in the LR and thus they would be able to bring an element of objectivity to the Board;
- They have vast and diverse range of experiences in various industries and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- They have continued to exercise their independence and due care during their tenure of service; and
- They have shown great integrity and independence, and had not entered into any related party transactions with the Group.

Appointment and Re-election of Directors

The Company has in place a nomination process to appoint new directors but it does not have a set of specific criteria for assessment and selection of director candidate. However, consideration would be taken on the need to meet the regulatory requirements such as the Act, the LR and other criteria discussed in the following paragraphs.

The Nominating Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by independent sources, existing directors, senior management staff, shareholders or third party referral. Under normal circumstances, the Nominating Committee would review new board candidates to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation of the Nominating Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Upon receipt of the proposal, the Nominating Committee is responsible to conduct an assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, reviewing the candidate's resume, curriculum vitae, candidate's qualifications as well as formal or informal interview at the Nominating Committee's discretion.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In discharging its duty, the Nominating Committee will assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, age, cultural background, gender, strength of qualities and competency and understanding of the business environment.

The Company has a gender diversity policy in place but does not have a female director. The Company will consider one who is of right quality, experience and qualification as and when there is a new appointment to the Board. The gender diversity policy required that in any list of proposed candidates to the Board shall consist of at least one (1) woman candidate, wherever reasonably possible during the selection process. The Nominating Committee is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes. The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board. 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.

For appointment of Independent Directors, the Nominating Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the LR.

In accordance with the Company's Constitution (that is, under that part of the Constitution of the Company which is referred to as the Articles of Association of the Company), 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, one third 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.

Any person appointed by the Board either to fill 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.

For the appointment of Senior Management, the Director that take-charge of the recruitment of the respective position will take into consideration the objective criteria, merit and with due regard for diversity skills, experience, expertise, age, cultural background, gender, strength of qualities and competency and understanding of the business environment.

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 2018 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT**a) Annual Assessment of Existing Directors**

The director who is subject to re-election and/ or re-appointment at next AGM 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 of 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.

b) Assessment on Independence of Directors

In line with 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 whereby Directors are required to provide written confirmation on their independence on yearly basis. In addition, a consideration would be given to assess whether the independent directors are able to act independently of management and free from any businesses or other relationship.

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.

c) Assessment on AC as a whole and the performance of the individual AC member

The Nominating Committee have reviewed the term of office of the AC members and assessed the performance of the AC and its members during the financial year.

Directors' Training

The Board recognises 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 training 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 financial 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 familiarisation programme will be conducted for them. This includes a presentation of the Group's operations, meetings with senior management and site visits, where appropriate, to facilitate their understanding of the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II 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 2018 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 (Resigned on 9 February 2018)	Executive	No	1/1
Kwong Hoi Meng (Appointed on 9 February 2018)	Non-Executive	Yes	0/0

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.

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM400,000 for the period from 1 April 2017 until the next AGM. In addition, shareholders' approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM15,000 from 13 September 2018 until the next AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the remuneration of Directors of the Company and Group for the financial year ended 31 March 2018 by category and in the band of RM50,000 are as follows:

Received from the Company

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	4
RM250,001 to RM300,000	1	-
RM450,001 to RM500,000	1	-
RM700,001 to RM750,000	1	-
RM850,001 to RM900,000	1	-
RM950,001 to RM1,000,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	-	3,266,308	3,266,308
Non-Executive Directors	96,000	Nil	96,000

Received from the Group

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	4
RM250,001 to RM300,000	1	-
RM700,001 to RM750,000	1	-
RM750,001 to RM800,000	1	-
RM850,001 to RM900,000	1	-
RM950,001 to RM1,000,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	259,600	3,292,268	3,551,868
Non-Executive Directors	96,000	Nil	96,000

The details of the remuneration of Key Management of the Company and Group for the financial year ended 31 March 2018 by category and in the band of RM50,000 are as follows:

Range of Remuneration	Group	Company
RM200,001 to RM250,000	3	3
RM250,001 to RM300,000	2	2
RM300,001 to RM350,000	2	2
RM350,001 to RM400,000	1	1
RM550,001 to RM600,000	1	1
RM650,001 to RM700,000	1	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. 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 Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee comprises solely Independent Non-Executive Directors. The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Group.

The composition of the Audit Committee together with its reports is presented in Audit Committee Report in this Annual Report.

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 Audit Committee has evaluated the suitability and performance of the auditors based on the relevant criteria set out in the policy and procedures of the Company, which included adequacy of resources of the firm, quality of service and competency of the staff assigned to the audit, the external auditors' independence and the costing. Being satisfied with Mazars PLT's performance and audit independence, the Audit Committee recommended their re-appointment as external auditors.

Also, the Audit Committee has obtained confirmation from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement for the financial year in accordance with the terms of all relevant professional and regulatory requirements.

The Board at its meeting held on 9 February 2018 accepted the Audit Committee's recommendation and was satisfied with Mazars PLT's suitability and audit independence thus agreed to put forward a resolution on their appointment to the shareholders for approval at the forthcoming AGM.

For the financial year ended 31 March 2018, statutory audit fees incurred by the Company and on Group basis is RM97,000 and RM232,837 respectively while the review of quarterly financial results incurred by the Company on Group basis is RM69,500.

The non-audit fees incurred for services rendered for the Company and the Group by the external auditors for the financial year ended 31 March 2018 is RM69,500.

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 Act 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 53 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

II Risk Management and Internal Control Framework

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 adopts the COSO (Committee of Sponsoring Organisations of the Treadway Commission) control framework throughout our audit implementation as a basis for assessing the adequacy and effectiveness of the Company's risk and control processes. The Company has established a Risk Management Committee at management level 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.

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.

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.

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 independent professional firm, Messrs. Omar Arif & Co. which reports directly to the Audit Committee. Each quarterly audit is performed by approximately 2 to 3 internal auditors depending on the area of audit. 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 was 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year, the Internal Auditor conducted audit in the areas of Trucking, Ocean Freight Forwarding, Invoicing, Warehouse, Custom Clearance, Haulage, Air Freight Forwarding, Payment and Credit Management. They also conducted Follow-up Audit to ensure the relevant action plans have been carried out for operations efficiency. During which, the Internal Auditor also tabled the Audit Planning Memorandum to the Board for approval.

While performing the audit, the Internal Auditor is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The Group incurred RM52,160 for internal audit costs during the financial year ended 31 March 2018.

The Statement of Risk Management and Internal Control, set out on page 57 and 58 of this Annual Report, which has been reviewed by external auditors, 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 55 of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MENINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communicate with Stakeholders

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 : freddie.lim@tasco.com.my

Mr. Tan Kim Yong
(Deputy Managing Director)

Telephone number : 03-51018888
Fax number : 03-55488288
Email address : ky.tan@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.

II Conduct of General Meeting

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. Given the significance of AGM, at least 28 days' notice of meeting together with the Annual Report is sent out to the shareholders. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board takes note of the recommendation by the Code on the adoption of electronic voting and the LR that the resolutions tabled of general meeting have to be decided by way of poll. The Company has implemented electronic poll voting at the past few general meetings.

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.

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.

STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Act, 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 Act.

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.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2018.

COMPOSITION AND ATTENDANCE

As at the date of this Annual Report, the composition of the Audit Committee (“AC”) is as follow:

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

The AC has three (3) members, all of whom are Independent Directors. This meets the requirements of the Code.

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:

- have explicit authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Group;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
- 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
- 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 AC can be viewed at the Company’s website www.tasco.com.my.

MEETINGS

The AC met four (4) times during the financial year ended 31 March 2018. A quorum of two (2) independent directors was always met for the AC meetings.

Minutes of each meeting were recorded and tabled for confirmation at the following AC meeting and were subsequently noted by the Board. The Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors.

The lead audit partner of the External Auditors responsible for the Group audit attended two (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.

AUDIT COMMITTEE REPORT**INTERNAL AUDIT**

The Group Internal Audit Function that was outsourced to Messrs. Omar Arif & Co. 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 Internal Auditors presented their audit plan to the AC 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 2018. 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.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2018 is RM52,160.

SUMMARY OF ACTIVITIES

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

Financial Reporting and Compliance

- 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.
- Reviewed the Group's quarterly results and year-end financial statements with applicable approved and new accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.
- 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 2017.

Internal Audit and Risk Management

- 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.
- Reviewed and assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management's responses to key areas and proposed recommendations for improvements to be implemented.
- Reviewed the audit report prepared by the Internal Auditors, considered their material findings and assessed the Management's responses and actions.
- During the financial year, the Internal Auditors conducted audit works in the areas of business divisions of Trucking, Ocean Freight Forwarding, Warehouse, Custom Clearance, Haulage, Air Freight Forwarding Divisions, Invoicing, Payment and Credit Management.

AUDIT COMMITTEE REPORT

External Audit

- Reviewed the External Audit Plan for the Company and the Group with the External Auditors to ensure the audit scope and activities are adequately covered.
- 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.
- Considered the re-appointment of the External Auditors and renewal of Internal Audit engagement.
- Met with the External Auditors twice a year without the presence of the executive Board members and the management.
- Assessed the suitability, performance and independence of the External Auditors in accordance to the criteria set out in the policies and procedures of the Company and the Group.

Related Party Transaction

- 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 LR.
- Reviewed the policies, procedures and processes established for related party transactions.
- Reviewed the Recurrent Related Party Transactions circular and recommended to the Board to seek shareholders' approval for renewal of shareholders mandate.

OTHER INFORMATION

The Nominating Committee had on 9 February 2018 reviewed the term of office of the AC Members and assessed the performance of the AC and its Members through an annual Board Committee effectiveness assessment. The Nominating Committee is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference. The result of the assessment was reported to the Board and the Board is in concurrence with the Nominating Committee with regard to the performance of the AC and its Members.

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 joint venture company and 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, Shah Alam Logistics Centre, Penang Prai Logistics Centre, Port Klang Logistics Centre, Penang Air Logistics Centre, KLIA Air Logistics Centre and Berjaya Industrial Logistics Centre 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 outsourced the Internal Audit Function to an independent professional firm, Messrs Omar Arif and Co. 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.

The Internal Audit Function is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

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**1. AUDIT FEES AND NON-AUDIT FEES**

During the financial year ended 31 March 2018, the amount of audit fees and non-audit fees paid or payable by the Company and the Group to external auditors are as follows:

	Group RM	Company RM
Audit Fees	232,837	97,000
Non-Audit Fees	69,500	69,500

2. 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.

3. 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 2018 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 and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	Sales :112,121 Purchases:83.948
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 and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	295
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 and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	693
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 and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	4,424
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	1,399
6	Lease agreement entered into between TASCO and NYK's subsidiary for the office usage of NYK's subsidiaries. • Rental received	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² , NYK Group ³ , YLK and YLSG	316

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 April 2015.
3. NYK denotes Nippon Yusen Kabushiki Kaisha, the ultimate holding company of TASCO.
4. NYK Group denotes NYK's subsidiary companies and affiliates.

2017/18 EVENTS CALENDAR

1 – 2 JUNE 2017

Yusen Logistics Co., Ltd. Group Head Quarters in Tokyo hosted the Global HR and Transform 2025 Project meeting whereby all over the world Yusen Group companies participated. Our Company was represented by Mr Jeffrey Aw from the Human Resource Division.



7 JUNE 2017

Yusen Logistics Co., Ltd. President, Mr. Kenji Mizushima launched the Global HR and Transform 2025 in our Corporate Head Office.



17 JUNE 2017

The Company has earned the 2016 Malaysia Domestic Logistics Service Provider of the Year from Frost & Sullivan.



29 JUNE 2017

The Company convened an Extraordinary General Meeting ("EGM") to seek approval for the Proposed Acquisition of Gold Cold Transport Sdn. Bhd and the Proposed Acquisition of 6 parcels of leasehold lands all located in Pulau Indah and MILS Cold Chain Logistics Sdn. Bhd. in our Corporate Head Office. The two resolutions were passed at the EGM.



5 – 6 JULY 2017

Our Company hosted the Global CLT Leadership Meeting in our Corporate Head Office.



6 JULY 2017

Our KLIA branch organised an opening ceremony for the Global Parts Distribution Centre held at Renesas Electronic Corporation Kuala Lumpur Distribution Centre in KLIA FCZ.



7 JULY 2017

Our Company organized a town hall visit to Gold Cold Transport Sdn Bhd.



CALENDAR OF EVENTS APRIL 2017 TO MARCH 2018

**10 JULY 2017**

The Company received an award from Air France-KLM for Top Customer Appreciation Award 2016.

14 JULY 2017

The Company received a Certificate "Special recognition of contribution to SONY operations in Malaysia" from Sony Asia Pacific Regional Logistics Office.

**17 AUGUST 2017**

Our staff and management visited the Rumah Ehsan Warga Emas in Kuala Kubu Bharu to distribute goodies bag and presented a cheque of RM5,000. The money was collected from the staff and company.

**7 SEPTEMBER 2017**

Our Company convened the 42nd Annual General Meeting in our Corporate Head Office. The shareholders actively participated in the meeting and all resolutions were passed at the meeting. A representative from MSWG also attended the meeting.

**19 – 20 OCTOBER 2017**

Our Company hosted the South Asia Oceania Region (SAOR) Managing Directors meeting in our Corporate Head Office.

**12 DECEMBER 2017**

Yusen Logistics Co., Ltd. ("YLK") has received the Best Professional Service Award from Renesas Electronics Corporation ("Renesas"). YLK has been selected for this prestigious award in recognition of the global activities that it has conducted in cooperation with Renesas. A major part of the operations is undertaken by TASCO, which has established a distribution center inside the free commercial zone in Kuala Lumpur Airport exclusively for Renesas.

**15 – 19 JANUARY 2018**

Yusen Logistics Co., Ltd. Chairman, Mr. Hiromitsu Kuramoto visited our Shah Alam Head Office and he was given a briefing and a tour of our premises.

**20 JANUARY 2018**

The Company received "The Best Partnering Company Award" from the Association of Malaysian Hauliers in recognition of our Company commitment and support of AMH – ASIL Training Program 2017.



FINANCIAL STATEMENT

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DOMICILE	: Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	: Public company limited by way of shares incorporated in Malaysia under the Companies Act 2016
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 FINANCIAL YEAR ENDED 31 MARCH 2018

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business as a total logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 7 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	29,398,501	4,018,342
Non-controlling interests	258,975	-
	29,657,476	4,018,342

DIVIDENDS

During the financial year, the Company paid:

- a final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2017; and
- a single-tier interim dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2018.

On 24 May 2018, the directors declared a final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of the financial year ended 31 March 2018.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

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 78 and 79.

ULTIMATE HOLDING COMPANY

At the end of the financial year, the directors regard Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange, as the ultimate holding company.

SUBSIDIARIES

Details of the subsidiaries are set out in note 7 to the financial statements.

There is no qualified auditor's report on the financial statements of any subsidiary company for the financial year in which this report is made.

DIRECTORS

The directors in office during the year commencing from the beginning of the financial year to the date of this report are as follows:

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

DIRECTORS OF SUBSIDIARY COMPANIES

The following are directors of the subsidiary companies (excluding directors who are also directors of the Company) during the financial year until the date of this report:

Encik Haris Fazail Bin Haroon
 Encik Shawaludin Bin Dol
 Mr Tai Kain Fatt
 Mr Lee Yoong Fah

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares in the Company and its related corporations are as follows:

	← - - - - - No. of ordinary shares - - - - - →			
	At 1.4.2017	Bought	Sold	At 31.3.2018
The Company				
Mr Lee Check Poh - deemed interest ⁽¹⁾	19,660,876	-	-	19,660,876
Mr Tan Kim Yong - direct interest	60,000	-	-	60,000
Mr Lim Jew Kiat - direct interest	120,000	-	-	120,000
Mr Raymond Cha Kar Siang - direct interest	22,000	-	-	22,000
Mr Kwong Hoi Meng - direct interest	22,000	-	-	22,000
Mr Raippan s/o Yagappan @ Raiappan Peter - direct interest	22,000	-	-	22,000
Mr Lee Wan Kai - direct interest	20,000	-	-	20,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	← - - - - - No. of ordinary shares - - - - - →			
	At 1.4.2017	Bought	Sold	At 31.3.2018
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

⁽¹⁾ Deemed interest by virtue of his equity interest in Real Fortune Portfolio Sdn Bhd.

DIRECTORS' BENEFITS

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.

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 remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company; and other benefits as set out below) by reason of a contract made by the Company or a related corporation with a 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.

Directors remuneration and other benefits are as follows:

	Company RM	Subsidiaries RM
Directors' fee	96,000	259,600
Other emoluments	2,944,996	25,960
Contribution to post-employment benefits	321,312	-

INDEMNITY

There was no indemnity given for any of the directors of the Group or the Company.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

- (i) to ascertain that appropriate 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 all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realised in the ordinary course of business including their values of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

OTHER INFORMATION (CONT'D)

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 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 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.

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

- (i) any charge on the assets of the Group or of the Company 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 Group and the Company which has arisen since the end of the financial year.

No contingent or other liability 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 Group or of the Company to meet their obligations when they fall due.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during 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.

AUDITORS

Auditors' remuneration is set out in note 29 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

LEE CHECK POH
Director

LIM JEW KIAT
Director

Kuala Lumpur

Date: 24 May 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2018 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment of goodwill

The risk:

During the year, the Group completed the acquisition of Gold Cold Transport Sdn Bhd and its subsidiary ("GCT Group") and obtained control through acquiring 100% equity interest in GCT Group.

Management conclude that the consideration paid over the fair value of the identifiable assets and liabilities, of the subsidiary at the date of acquisition as goodwill on consolidation, amounting to RM81,864,054.

The consideration paid for the acquisition effectively includes benefits of expected business synergies and future profitability of GCT Group. Goodwill is allocated to GCT Group's cash generating unit ("CGU"). Recoverable amount of CGU is determined using the value-in-use method.

Refer to notes 4(b), 6, and 38 to the financial statements.

We focus on this area as the assessment of recoverable amount of the CGU involved the use of significant accounting estimates and assumptions in the cash flow projection. Therefore, impairment testing of goodwill is considered as a key audit matter.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD (INCORPORATED IN MALAYSIA)

Our response:

To address the matter identified, we evaluated the cash flow projection by assessing the reasonableness of the key assumptions such as forecasted revenue growth rates applied by management with our understanding of the historical performance of GCT Group and comparable industry data. We tested the appropriateness of the input data in deriving the discount rate by comparing to market sources. We also performed sensitivity analysis to test the reasonable possible changes to the key assumptions in the cash flow projection.

(b) Revenue recognition

The risk:

The revenue of the Group and of the Company for the financial year ended 31 March 2018 amounted to RM710,209,335 and RM640,270,126 respectively.

The Company is involved in the operation of integrated logistics solutions provider, we have identified revenue recognition as a key audit matter, particularly in respect of the completeness and accuracy of recording of services rendered and the timing of revenue recognition with transactions occurring on or near year-end. Due to the significant volume of transactions, any misstatement may have a material impact on the financial statements.

Our response:

To address the matters identified, we assessed the design and the implementation of the Group's key controls over revenue recognition and tested the operating effectiveness of these controls. We also tested revenue transactions by inspecting source documents using sampling techniques. The procedures covered testing the accuracy and timing of recording individual transactions. We also tested the appropriateness of manual journals posted to revenue to determine whether those postings were consistent with the Group's revenue recognition policy. For transactions close to the period end, we tested that cut-off procedures were appropriately applied.

(c) Impairment of receivables

The risk:

As at 31 March 2018, the carrying amounts of the Group's and Company's trade and other receivables were RM172,361,561 and RM130,557,643 respectively. The collectability of these receivables are assessed on an ongoing basis. We have identified this to be a key audit matter as it requires management to make significant estimation in the assessment of realisation of these receivables based on their creditworthiness and past collection history.

Our response:

To address the matter identified, for those outstanding receivable balances at the reporting date, we checked collections received after year-end, and for uncollected amount we challenged the management's assessment on the recoverability. We have also assessed customers' ageing profile by evaluating the accuracy of aged buckets. For significant deposits paid by the Group for the proposed acquisition of business, we obtained updates on status of completion of the proposed acquisition and challenged management on their assessment of realisation of the deposits.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD (INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises Directors' Report, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, however, other information to be included in the Annual Report, are expected to be made available to us after that date.

Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD (INCORPORATED IN MALAYSIA)

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD
(INCORPORATED IN MALAYSIA)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, is disclosed in note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2018 J
Chartered Accountant

Kuala Lumpur

Date: 24 May 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	386,392,662	236,013,691
Goodwill	6	81,864,054	-
Investment in associated company	8	3,501,762	3,722,221
Investment in a joint venture	9	399,045	-
Other investments	10	1,008,204	1,008,204
Total non-current assets		473,165,727	240,744,116
Current assets			
Inventories	11	-	125,471
Trade receivables	12	108,936,254	87,854,209
Other receivables, deposits and prepayments	13	65,412,469	82,604,073
Amount owing by immediate holding company	14	4,699,017	5,705,966
Amounts owing by related companies	16	9,636,776	9,504,779
Current tax assets		5,954,885	5,952,328
Fixed deposits with licenced banks	17	45,368,706	34,517,318
Cash and bank balances	18	35,049,475	47,182,418
		275,057,582	273,446,562
Non-current assets classified as held for sale	19	172,960	-
Total current assets		275,230,542	273,446,562
TOTAL ASSETS		748,396,269	514,190,678

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 RM	2017 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	20	100,801,317	100,000,000
Share premium		-	801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		(124,007)	(847,130)
Exchange translation reserve		(162,124)	(766,063)
Retained earnings		260,475,229	240,076,728
Equity attributable to owners of the Company		362,391,006	340,665,443
Non-controlling interests		1,318,310	1,059,335
Total equity		363,709,316	341,724,778
Non-current liabilities			
Hire purchase and finance lease liabilities	21	2,103,020	-
Bank term loans	22	200,900,306	33,208,034
Deferred tax liabilities	23	23,951,829	10,400,631
Total non-current liabilities		226,955,155	43,608,665
Current liabilities			
Trade payables	24	38,728,391	34,911,040
Other payables, deposits and accruals	25	38,062,540	70,909,775
Amount owing to immediate holding company	14	1,416,359	1,128,682
Amounts owing to related companies	16	5,528,165	4,659,489
Amount owing to associated company		-	164,774
Hire purchase and finance lease liabilities	21	812,106	-
Revolving credits	26	20,000,000	-
Bank term loans	22	52,132,432	15,198,526
Current tax liabilities		1,051,805	1,884,949
Total current liabilities		157,731,798	128,857,235
Total liabilities		384,686,953	172,465,900
TOTAL EQUITY AND LIABILITIES		748,396,269	514,190,678

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	192,642,840	190,187,845
Investment in subsidiary companies	7	38,429,939	21,542,565
Investment in associated company	8	3,000,000	3,000,000
Investment in a joint venture	9	400,000	-
Other investments	10	1,008,204	1,008,204
Total non-current assets		235,480,983	215,738,614
Current assets			
Trade receivables	12	87,543,813	86,106,397
Other receivables, deposits and prepayments	13	45,000,992	80,905,918
Amount owing by immediate holding company	14	4,699,017	5,705,966
Amounts owing by subsidiary companies	15	212,537,156	45,782,513
Amounts owing by related companies	16	9,636,776	9,751,318
Current tax asset		5,929,953	5,929,953
Fixed deposits with licensed banks	17	39,796,998	34,517,318
Cash and bank balances	18	18,433,952	33,790,729
		423,578,657	302,490,112
Non-current assets classified as held for sale	19	172,960	-
Total current assets		423,751,617	302,490,112
TOTAL ASSETS		659,232,600	518,228,726

STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2018

	Note	2018 RM	2017 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	20	100,801,317	100,000,000
Share premium		-	801,317
Hedge reserve		(124,007)	(847,130)
Retained earnings		211,420,073	216,401,731
Total equity		312,097,383	316,355,918
Non-current liabilities			
Bank term loans	22	162,101,165	33,208,034
Deferred tax liability	23	8,320,080	8,843,664
Total non-current liabilities		170,421,245	42,051,698
Current liabilities			
Trade payables	24	33,097,457	33,416,682
Other payables, deposits and accruals	25	31,265,534	68,682,354
Amount owing to immediate holding company	14	1,416,359	1,128,682
Amounts owing to subsidiary companies	15	37,966,940	34,906,645
Amount owing to related companies	16	5,528,165	4,716,986
Amount owing to associated company		-	164,774
Bank term loans	22	46,254,004	15,198,526
Revolving credits	26	20,000,000	-
Current tax liability		1,185,513	1,606,461
Total current liabilities		176,713,972	159,821,110
Total liabilities		347,135,217	201,872,808
TOTAL EQUITY AND LIABILITIES		659,232,600	518,228,726

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 RM	Group 2017 RM	Company 2018 RM	2017 RM
Revenue	27	710,209,335	584,401,969	640,270,126	572,956,119
Cost of sales		(534,701,663)	(440,602,836)	(488,060,017)	(436,532,787)
Gross profit		175,507,672	143,799,133	152,210,109	136,423,332
Other income	28	10,678,705	8,288,774	3,304,527	8,722,066
Administrative and general expenses		(133,967,913)	(107,290,794)	(134,446,219)	(102,480,507)
Profit from operations	29	52,218,464	44,797,113	21,068,417	42,664,891
Finance costs	30	(9,993,930)	(1,689,905)	(7,695,377)	(686,617)
Share of results of associated company and joint venture		(221,414)	421,490	-	-
Profit before tax		42,003,120	43,528,698	13,373,040	41,978,274
Tax expense	31	(12,345,644)	(12,672,647)	(9,354,698)	(10,803,510)
Profit for the year		29,657,476	30,856,051	4,018,342	31,174,764
Other comprehensive income:					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Exchange difference on translation of foreign operation		603,939	(654,019)	-	-
Fair value adjustment on cash flow hedge		723,123	(233,861)	723,123	(233,861)
Other comprehensive income/(loss) for the year, net of tax		1,327,062	(887,880)	723,123	(233,861)
Total comprehensive income for the year		30,984,538	29,968,171	4,741,465	30,940,903
Profit attributable to:					
Owners of the Company		29,398,501	30,668,875	4,018,342	31,174,764
Non-controlling interests		258,975	187,176	-	-
Profit for the year		29,657,476	30,856,051	4,018,342	31,174,764
Total comprehensive income attributable to:					
Owners of the Company		30,725,563	29,780,995	4,741,465	30,940,903
Non-controlling interests		258,975	187,176	-	-
Total comprehensive income for the year		30,984,538	29,968,171	4,741,465	30,940,903
Basic earnings per share attributable to owners of the Company (sen per share)					
	32	14.70	15.33		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2018

Group	Note	Attributable to owners of the Company					Distributable		Non-controlling interests	Total equity
		Share capital	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total		
		RM	RM	RM	RM	RM	RM	RM	RM	RM
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
Total comprehensive income for the year		-	-	-	(233,861)	(654,019)	30,668,875	29,780,995	187,176	29,968,171
Dividends paid	33	-	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)
Balance at 31 March 2017		100,000,000	801,317	1,400,591	(847,130)	(766,063)	240,076,728	340,665,443	1,059,335	341,724,778
Total comprehensive income for the year		-	-	-	723,123	603,939	29,398,501	30,725,563	258,975	30,984,538
Dividends paid	33	-	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)
Transfer pursuant to Companies Act 2016 ("CA 2016")	20	801,317	(801,317)	-	-	-	-	-	-	-
Balance at 31 March 2018		100,801,317	-	1,400,591	(124,007)	(162,124)	260,475,229	362,391,006	1,318,310	363,709,316

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2018

		← Non distributable →		Distributable		
	Note	Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 31 March 2016		100,000,000	801,317	(613,269)	194,226,967	294,415,015
Total comprehensive income for the year		-	-	(233,861)	31,174,764	30,940,903
Dividends paid	33	-	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2017		100,000,000	801,317	(847,130)	216,401,731	316,355,918
Total comprehensive income for the year		-	-	723,123	4,018,342	4,741,465
Dividends paid	33	-	-	-	(9,000,000)	(9,000,000)
Transfer pursuant to CA 2016	20	801,317	(801,317)	-	-	-
Balance at 31 March 2018		100,801,317	-	(124,007)	211,420,073	312,097,383

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 RM	2017 RM	Company 2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		42,003,120	43,528,698	13,373,040	41,978,274
Adjustments for:					
Allowance for doubtful debts					
- subsidiary company		-	-	9,736,756	-
- other		844,158	842,406	514,383	777,350
Bad debts written off		-	119	-	119
Allowance for doubtful debts no longer required		(1,726,395)	(2,026,806)	(1,372,169)	(2,026,806)
Depreciation		23,411,821	16,766,350	15,941,816	15,020,655
(Gain)/Loss on disposal of property, plant and equipment		(5,591,188)	(194,166)	3,097,332	(177,866)
Property, plant and equipment written off		888,585	-	871,928	-
Impairment loss on other investments		-	57,000	-	57,000
Other investments written off		-	14,000	-	14,000
Impairment loss on investment in subsidiary company		-	-	230,000	-
Share of results of associated company and joint venture		221,414	(421,490)	-	-
Interest income		(1,428,997)	(1,437,809)	(1,236,475)	(1,415,256)
Dividend income		(36,600)	(36,600)	(36,600)	(689,753)
Interest expense		9,993,930	1,689,905	7,695,377	686,617
Unrealised loss/(gain) on foreign exchange		4,582,157	(2,854,608)	4,582,157	(2,854,608)
Operating profit before working capital changes		73,162,005	55,926,999	53,397,545	51,369,726
Changes in inventories		125,471	30,883	-	-
Changes in receivables		19,716,514	(40,606,669)	38,377,937	(44,028,185)
Changes in payables		(36,525,401)	42,806,940	(35,758,220)	42,534,014
Cash generated from operations		56,478,589	58,158,153	56,017,262	49,875,555
Net Tax paid		(14,301,969)	(16,513,648)	(10,299,230)	(15,352,489)
Net cash generated from operating activities		42,176,620	41,644,505	45,718,032	34,523,066

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	34	(24,631,374)	(13,530,360)	(23,521,813)	(13,402,463)
Proceeds from disposal of property, plant and equipment		18,462,140	279,247	488,689	214,445
Deposit paid for acquisition of subsidiary companies		(10,000,000)	(30,983,887)	(10,000,000)	(30,983,887)
Investment in a joint venture		(400,000)	-	(400,000)	-
Acquisition of other investments		-	(70,000)	-	(70,000)
(Advances to)/repayment from subsidiary companies		-	-	(177,263,084)	1,451,416
Interest received		1,428,997	1,437,809	1,236,475	1,415,256
Dividends received		36,600	36,600	36,600	689,753
Investment in subsidiary companies	38	(190,566,144)	-	(17,117,374)	-
Net cash used in investing activities		(205,669,781)	(42,830,591)	(226,540,507)	(40,685,480)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		180,000,000	14,000,000	180,000,000	14,000,000
Drawdown of revolving credits		20,000,000	-	20,000,000	-
Repayment of term loans		(16,108,763)	(13,302,017)	(14,052,000)	(13,302,017)
Repayment of hire purchase and finance lease		(1,316,770)	-	-	-
Advances from/(repayment to) subsidiary companies		-	-	2,840,000	(39,470)
Interest paid		(9,993,930)	(1,689,905)	(7,695,377)	(686,617)
Dividends paid		(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Net cash generated from/(used in) financing activities	a	163,580,537	(9,991,922)	172,092,623	(9,028,104)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		87,376	(11,178,008)	(8,729,852)	(15,190,518)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD					
		81,699,736	92,585,645	68,308,047	83,206,123
EFFECT OF EXCHANGE RATE CHANGES					
		(1,368,931)	292,099	(1,347,245)	292,442
CASH AND CASH EQUIVALENTS CARRIED FORWARD					
		80,418,181	81,699,736	58,230,950	68,308,047
Represented by:					
Fixed deposits with licensed banks		45,368,706	34,517,318	39,796,998	34,517,318
Cash and bank balances		35,049,475	47,182,418	18,433,952	33,790,729
		80,418,181	81,699,736	58,230,950	68,308,047

STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2018

Note (a):

Reconciliation of liabilities arising from financing activities

Group	Term loans RM	Revolving credits RM	Hire purchase and finance lease RM	Total RM
At beginning of financial year	48,406,560	-	-	48,406,560
<i>Cash flows:</i>				
Drawdown of term loans	180,000,000	-	-	180,000,000
Drawdown of revolving credits	-	20,000,000	-	20,000,000
Repayment of term loans	(16,108,763)	-	-	(16,108,763)
Repayment of hire purchase and finance lease	-	-	(1,316,770)	(1,316,770)
Interest paid	(9,564,320)	(315,578)	(114,032)	(9,993,930)
Acquisition of subsidiary companies (Note 38)	46,734,332	-	4,231,896	50,966,228
<i>Non-cash changes:</i>				
Interest expenses	9,564,320	315,578	114,032	9,993,930
Unrealised gain on hedge of term loans	(5,999,391)	-	-	(5,999,391)
At end of financial year	253,032,738	20,000,000	2,915,126	275,947,864

Company

At beginning of financial year	48,406,560	-	26,143,196	74,549,756
<i>Cash flows:</i>				
Drawdown of term loans	180,000,000	-	-	180,000,000
Drawdown of revolving credits	-	20,000,000	-	20,000,000
Repayment of term loans	(14,052,000)	-	-	(14,052,000)
Advances from subsidiary companies	-	-	2,840,000	2,840,000
Interest paid	(7,379,799)	(315,578)	-	(7,695,377)
<i>Non-cash changes:</i>				
Interest expenses	7,379,799	315,578	-	7,695,377
Unrealised gain on hedge of term loan	(5,999,391)	-	-	(5,999,391)
At end of financial year	208,355,169	20,000,000	28,983,196	257,338,365

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The addresses of the principal place of business and registered office of the Company are disclosed on page 54.

The immediate and ultimate holding companies are Yusen Logistics Co., Ltd, a company incorporated in Japan and Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange.

The Company is principally engaged in the business as a total logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 7 to the financial statements.

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

2. 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 ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 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.

(a) Application of new or revised standards

In the current year, the Group and the Company have applied a number of new and revised standards, amendments and IC Interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2017.

The adoption of these new and revised standards, amendments and/or IC Interpretations does not have significant impact on the financial statements of the Group and of the Company, except for additional disclosure requirements by certain new amendments to the MFRS standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2. BASIS OF PREPARATION (CONT'D)

(b) Standard 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 and relevant to their operations but are not yet effective:

New MFRS, Amendments to MFRSS and IC Interpretations		Effective for financial periods beginning on or after
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2019
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to various MFRS Standards	Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. BASIS OF PREPARATION (CONT'D)

(b) Standard issued that are not yet effective (Cont'd)

MFRS 9 Financial Instruments (Cont'd)

The Group is currently reviewing the effects of adopting MFRS 9 on its financial assets and liabilities. Based on the assessment taken to date, the Group is expecting the following changes from the adoption of MFRS 9 on 1 April 2018:

(i) Classification of financial instruments

Management has assessed the Group's business model and the contractual terms of the cash flows to financial assets at the date of initial application. For equity investments and hedge instrument classified as available-for-sale financial assets, the Group has elected to designate these financial instruments to be measured at fair value through other comprehensive income.

The Group expects that its existing hedge instrument will continue to qualify for hedge accounting under MFRS 9.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

(ii) Impairment of financial assets

Financial assets measured at amortised costs will subject to the new expected credit loss model.

The Group expects to apply simplified approach on all trade receivables to recognise lifetime expected credit losses. The Group will adopt MFRS 9 on the mandatory effective date. Based on preliminary assessment performed by management, there will be no significant impact to the Group and the Company.

MFRS 9 also requires expanded disclosures and the Group will apply MFRS 9 from 1 April 2018 with the application of practical expedients permitted under MFRS 9. Comparatives for the financial year ended 31 March 2018 will not be restated.

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 will result in difference in timing of revenue recognition as compared with current accounting policies.

MFRS 15 also requires expanded disclosures on the Group's revenue transactions in the financial statements. Many of the disclosure requirements in MFRS 15 are completely new.

The Group intends to adopt MFRS 15 using the modified retrospective approach and apply the practical expedients where appropriate, which means that the cumulative impact of the adoption, if any, will be recognised in the retained earnings as of 1 April 2017 and the comparatives will not be restated. Based on preliminary assessment performed by management, there will be no significant impact to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. BASIS OF PREPARATION (CONT'D)

(b) Standard issued that are not yet effective (Cont'd)

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.

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 assessing the impact to the financial statements upon adopting MFRS 16, and will adopt the standards on the mandatory effective date.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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) *Impairment of goodwill*

The Group reviews whether goodwill is impairment at least on an annual basis or on a more frequent basis if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating unit ("CGU") that is expected to benefit from synergies of the business combination.

The recoverable amount of the CGU is determined using the value-in-use method which requires significant management estimations. Changes in the assumptions used by the management in assessing the impairment could materially affect the net present value of the goodwill and may result in recognition of impairment loss.

The carrying amount of goodwill as at 31 March 2018 is disclosed in note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(ii) Impairment of receivables

The collectability of receivables is assessed on an ongoing basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection.

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 estimation is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Group's and Company's trade and other receivables as at 31 March 2018 are disclosed in notes 12 and 13, respectively.

(iii) 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 99 years.

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.

The carrying amounts of the Group's and Company's property, plant and equipment, as at 31 March 2018 are disclosed in note 5.

(iv) Income taxes

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

The Group and the Company recognise 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 2018 were RM5,954,885 and RM5,929,953 (2017: RM5,952,328 and RM5,929,953) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2018 were RM25,003,634 and RM9,505,593 (2017: RM12,285,580 and RM10,450,125) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

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 transaction 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Loss of control (Cont'd)

- (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.

(b) 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 assumed by the Group and the equity interests issued by the Group at the date of exchange.

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. The choice of measurement basis is made on a transaction-by-transaction basis.

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 ("negative goodwill") in profit or loss on the acquisition date.

(c) Investment in 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Associate and joint venture

An associate is an entity in which the Group has significant influence and that is neither a subsidiary 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates or joint venture are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associates or joint venture are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint venture.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the associates or joint ventures are recognised in the consolidated profit or loss and consolidated statement of comprehensive income respectively.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control over the associate or joint venture.

Premium relating to an associate or a joint venture 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.

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 associate's and joint venture's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's interest in the associates or joint venture.

Equity accounting is discontinued when the carrying amount of the investment in an associate or joint venture diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate and joint venture.

The results and reserves of associates or joint venture are accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances. Distributions received from an associate or joint venture reduce the carrying amount of the investment.

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 and joint ventures are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Associate and joint venture (Cont'd)

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

(e) 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.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

AFS financial assets

AFS financial assets category comprises investment in equity and debt securities instruments, transferable corporate club memberships and derivatives that are not held for trading.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (Cont'd)

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

Financial assets (Cont'd)

AFS financial assets (Cont'd)

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.

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 profit or loss.

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

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

(iv) Derivative financial instruments and hedging

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial instruments (Cont'd)

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

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 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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Recognition and measurement (Cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(ii) Depreciation

Freehold land is not depreciated.

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	Over period of lease
Leasehold buildings	1 - 3 or over the remaining period of 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.

(g) Assets held for sale

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statement of financial position.

Depreciation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries, associate companies and joint venture) 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.

(a) *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.

(b) *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

(a) *Goodwill*

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (Cont'd)

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

(a) Goodwill (Cont'd)

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised for goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(b) Property, plant and equipment, Investment in subsidiaries, associates and joint venture

Property, plant and equipment 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.

(j) 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.

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

(k) 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 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or 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.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Foreign currencies (Cont'd)

(ii) Translation of foreign operations (Cont'd)

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.

(n) Leases

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

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

(o) 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 makes contributions to its country's statutory pension scheme which are recognised as an expense in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) 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.

(q) 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 statements of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

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

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

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.

(r) 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 statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(s) Segmental reporting

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. All operating segment's results are reviewed regularly by the Group's management team to assess their performance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(s) Segmental reporting (Cont'd)**

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.

(t) 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 statements 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 2018

5. PROPERTY PLANT AND EQUIPMENT

Group 2018	Freehold land and building RM	Leasehold buildings RM	Leasehold lands 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 31.3.2017	3,900,177	165,717,248	56,306,498	89,962,794	17,334,720	26,032,784	43,723,651	402,977,872
Acquisition of subsidiaries (Note 38)	111,639,740	920,747	13,932,615	8,917,757	27,748,604	307,951	172,126	163,639,540
Additions	-	-	-	7,337,298	2,031,070	3,609,545	11,159,368	24,137,281
Disposals	-	(5,169,807)	(7,104,327)	(2,104,825)	(523,740)	(6,808)	(3,873,275)	(18,782,782)
Write offs	-	-	-	(279,433)	(67,232)	(241,257)	(978,803)	(1,566,725)
Reclassifications to non-current assets held for sale (Note 19)	-	(155,123)	(92,597)	-	-	-	-	(247,720)
Exchange differences	-	-	-	-	-	(34,413)	(34,863)	(69,276)
At 31.3.2018	115,539,917	161,313,065	63,042,189	103,833,591	46,523,422	29,667,802	50,168,204	570,088,190
Accumulated depreciation								
At 31.3.2017	474,938	31,865,966	6,331,197	73,100,046	14,658,916	16,961,996	23,571,122	166,964,181
Charge for the year	1,176,043	3,335,235	569,956	7,858,894	3,770,375	2,109,633	4,591,685	23,411,821
Disposals	-	(1,924,572)	(1,087,582)	(2,033,462)	(522,840)	(3,453)	(339,921)	(5,911,830)
Write offs	-	-	-	(279,432)	(67,232)	(223,140)	(108,336)	(678,140)
Reclassifications to non-current assets held for sale (Note 19)	-	(48,476)	(26,284)	-	-	-	-	(74,760)
Exchange differences	-	-	-	-	-	(7,821)	(7,923)	(15,744)
At 31.3.2018	1,650,981	33,228,153	5,787,287	78,646,046	17,839,219	18,837,215	27,706,627	183,695,528
Net carrying amount								
At 31.3.2018	113,888,936	128,084,912	57,254,902	25,187,545	28,684,203	10,830,587	22,461,577	386,392,662

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Group 2017	Freehold land and building RM	Leasehold buildings RM	Leasehold lands 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 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
Additions	-	-	-	5,170,548	439,995	2,889,798	5,524,112	14,024,453
Disposals	-	-	-	(1,609,493)	(186,790)	(181,288)	(115,212)	(2,092,783)
Reclassification	(8,808,025)	4,069,771	4,738,254	-	-	-	-	-
Exchange differences	-	-	-	-	-	38,863	46,296	85,159
At 31.3.2017	3,900,177	165,717,248	56,306,498	89,962,794	17,334,720	26,032,784	43,723,651	402,977,872
Accumulated depreciation								
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
Charge for the year	193,359	3,406,364	842,033	5,423,890	1,461,167	1,853,461	3,586,076	16,766,350
Disposals	-	-	-	(1,609,493)	(186,790)	(108,688)	(102,731)	(2,007,702)
Reclassification	(648,679)	464,457	184,222	-	-	-	-	-
Exchange differences	-	-	-	-	-	7,725	9,751	17,476
At 31.3.2017	474,938	31,865,966	6,331,197	73,100,046	14,658,916	16,961,996	23,571,122	166,964,181
Net carrying amount								
At 31.3.2017	3,425,239	133,851,282	49,975,301	16,862,748	2,675,804	9,070,788	20,152,529	236,013,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company 2018	Freehold land and building RM	Leasehold buildings RM	Leasehold lands 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 31.3.2017	3,861,606	112,909,330	44,012,542	85,078,496	16,823,582	25,481,267	43,056,799	331,223,622
Additions	-	-	-	6,639,027	1,817,184	3,412,141	11,159,368	23,027,720
Disposals	-	-	-	(1,918,725)	(523,740)	(888)	(3,823,650)	(6,267,003)
Write-offs	-	-	-	-	-	(34,120)	(978,803)	(1,012,923)
Reclassifications to non-current assets held for sale (Note 19)	-	(155,123)	(92,597)	-	-	-	-	(247,720)
At 31.3.2018	3,861,606	112,754,207	43,919,945	89,798,798	18,117,026	28,858,400	49,413,714	346,723,696
Accumulated depreciation								
At 31.3.2017	436,367	14,833,448	4,331,400	66,749,987	14,548,588	16,780,087	23,355,900	141,035,777
Charge for the year	51,111	2,258,131	551,850	5,385,903	1,282,429	1,890,247	4,522,145	15,941,816
Disposals	-	-	-	(1,847,362)	(522,840)	(888)	(309,892)	(2,680,982)
Write-offs	-	-	-	-	-	(32,659)	(108,336)	(140,995)
Reclassifications to non-current assets held for sale (Note 19)	-	(48,476)	(26,284)	-	-	-	-	(74,760)
At 31.3.2018	487,478	17,043,103	4,856,966	70,288,528	15,308,177	18,636,787	27,459,817	154,080,856
Net carrying amount								
At 31.3.2018	3,374,128	95,711,104	39,062,979	19,510,270	2,808,849	10,221,613	21,953,897	192,642,840

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company 2017	Freehold land and building RM	Leasehold buildings RM	Leasehold lands 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 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
Additions	-	-	-	5,170,548	439,995	2,799,442	5,486,571	13,896,556
Disposals	-	-	-	(1,521,464)	(186,790)	(89,495)	-	(1,797,749)
Reclassifications	(8,808,025)	4,069,771	4,738,254	-	-	-	-	-
At 31.3.2017	3,861,606	112,909,330	44,012,542	85,078,496	16,823,582	25,481,267	43,056,799	331,223,622
Accumulated depreciation								
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
Charge for the year	193,359	2,195,078	478,091	5,423,890	1,410,200	1,792,325	3,527,712	15,020,655
Disposals	-	-	-	(1,521,464)	(186,790)	(52,916)	-	(1,761,170)
Reclassifications	(648,679)	464,457	184,222	-	-	-	-	-
At 31.3.2017	436,367	14,833,448	4,331,400	66,749,987	14,548,588	16,780,087	23,355,900	141,035,777
Net carrying amount								
At 31.3.2017	3,425,239	98,075,882	39,681,142	18,328,509	2,274,994	8,701,180	19,700,899	190,187,845

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Included in property, plant and equipment of the Group are the following assets acquired under hire purchase arrangements:

	Group 2018 RM	2017 RM
Net carrying amount:		
- Motor vehicles	1,632,960	-
- Plant and machinery	1,805,210	-
	3,438,170	-

As of 31 March 2018, the following property, plant and equipment are charged to licensed banks as security for term loans, as disclosed in note 22:

	Group 2018 RM	2017 RM
Net carrying amount:		
- Freehold land and buildings	74,570,474	-

6. GOODWILL

	Group 2018 RM	2017 RM
Goodwill on consolidation	81,864,054	-

Goodwill arising from the acquisitions of Gold Cold Transport Sdn Bhd and its subsidiary is allocated at the date of acquisition, to the cold chain business as the cash generating unit ("CGU"). The consideration paid for the acquisitions effectively included amounts for anticipated profitability, future market development of the CGU and the benefit of expected synergies to arise after the acquisitions.

For annual impairment testing purposes, the recoverable amount of the CGU has been determined based on its value-in-use calculation, which applies a discounted cash flow model using cash flow projections covering a period of 10 years based on most recent financial budget and projections approved by management. Management is of the opinion that the projection period is justified due to the long term nature of the cold chain business and the CGU's historical performance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

6. GOODWILL (CONT'D)

Key assumptions used for value-in-use calculation are as follows:

Pre-tax discount rate ⁽¹⁾	11.16%
Revenue growth	
- within next 1 to 4 years	5%
- within next 5 to 10 years	3%
Terminal growth rate ⁽²⁾	1%

⁽¹⁾ The discount rate is estimated based on the CGU-specific weighted average cost of capital for the financial year.

⁽²⁾ Terminal growth rate is assigned at the end of ten year cash flow projections based on the assumed growth rate in perpetuity.

The directors believe that no reasonably possible changes in any of the key assumption would cause the recoverable amount of the CGU to differ materially from its carrying amount as at 31 March 2018.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2018 RM	2017 RM
Unquoted shares, at cost		
- in Malaysia	38,429,939	21,312,565
- outside Malaysia	230,000	230,000
	38,659,939	21,542,565
Less: Impairment losses	(230,000)	-
	38,429,939	21,542,565

Details of the subsidiary companies are as follows:

	Equity interest		Country of incorporation	Principal activities
	2018 %	2017 %		
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
Titian Pelangi Sdn Bhd	100	100	Malaysia	Warehouse rental
Omega Saujana Sdn Bhd	51	51	Malaysia	Freight forwarding services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

	Equity interest		Country of incorporation	Principal activities
	2018 %	2017 %		
Tasco Yusen Gold Cold Sdn Bhd (Formerly known as Tasco Express Sdn Bhd)	100	100	Malaysia	Investment holding
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Freight forwarding services
Meriah Selalu Sdn Bhd [#]	100	-	Malaysia	Operating container depot and providing services of storing, handling, cleaning and repairing of containers

Subsidiaries of Tasco Yusen Gold Cold Sdn Bhd (formerly known as Tasco Express Sdn Bhd)

	Equity interest		Country of incorporation	Principal activities
	2018 %	2017 %		
Gold Cold Transport Sdn Bhd	100	-	Malaysia	Transportation, provision of cold room facilities, repackaging and value added facilities services
GC Logistics Sdn Bhd	100	-	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services

* Audited by a member firm of Mazars in Singapore

[#] Not audited by Mazars PLT

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.

8. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unquoted shares, at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of results	501,762	722,221	-	-
	3,501,762	3,722,221	3,000,000	3,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

8. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

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

	Equity interest		Principal activities
	2018 %	2017 %	
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Warehouse rental

The financial year end of AESSB is 31 December. 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 2017 have been used.

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

	2018 RM	2017 RM
Group's share of (loss)/profit	(220,459)	421,490
Group's share of other comprehensive income	-	-
Group's share of total comprehensive/(loss) income	(220,459)	421,490

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

	2017 RM	2016 RM
Non-current assets	9,243,958	9,686,214
Current assets	287,730	159,968
Non-current liabilities	(1,859,078)	(1,960,093)
Current liabilities	(613,954)	(441,647)
Net assets	7,058,656	7,444,442
Revenue	141,075	1,692,900
(Loss)/Profit for the year	(440,919)	842,980

9. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unquoted shares, at cost	400,000	-	400,000	-
Group's share of results	(955)	-	-	-
	399,045	-	400,000	-

Details of the Group's joint venture, which was incorporated during the year in Malaysia, is as follows:

	Equity interest		Principal activities
	2018 %	2017 %	
YLTC Sdn Bhd ("YLTC")	40	-	Trading, distribution and logistics

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

9. INVESTMENT IN A JOINT VENTURE (CONT'D)

The joint venture is accounted for using the equity method in the consolidated financial statements. The joint venture has not commenced its operations as of the end of the financial year.

The financial year end of YLTC is 31 December. For the purpose of applying the equity method in the consolidated financial statements, the audited financial statements of YLTC for the year ended 31 December 2017 have been used.

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

	2018 RM	2017 RM
Group's share of loss	(955)	-
Group's share of other comprehensive loss	-	-
Group's share of total comprehensive loss	(955)	-

The summarised financial information YLTC as at 31 December is as follow:

	2017 RM	2016 RM
Current assets	1,000,985	-
Current liabilities	(3,373)	-
Net assets	997,612	-
Revenue	-	-
Loss for the year	(2,388)	-

10. OTHER INVESTMENTS

	Group/Company	
	2018 RM	2017 RM
<u>AFS financial assets</u>		
Unquoted shares	367,700	367,700
Transferable corporate club memberships	875,003	875,003
	1,242,703	1,242,703
Impairment losses	(234,499)	(234,499)
	1,008,204	1,008,204

11. INVENTORIES

Inventories represent parts and consumables stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12. TRADE RECEIVABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Gross trade receivables	109,981,208	89,462,519	88,229,281	87,649,651
Allowance for doubtful debts	(1,044,954)	(1,608,310)	(685,468)	(1,543,254)
	108,936,254	87,854,209	87,543,813	86,106,397

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
- RM	103,134,541	82,715,757	82,137,435	82,202,920
- US Dollar	5,759,737	4,877,326	5,759,737	4,813,180
- Singapore Dollar	1,086,809	1,855,097	331,988	619,212
- Thai Baht	-	14,339	-	14,339
- Euro	121	-	121	-
	109,981,208	89,462,519	88,229,281	87,649,651

Normal credit terms ranges between 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.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables	29,660,475	28,375,461	11,906,282	27,679,242
GST recoverable	896,434	27	868,774	-
Deposits paid for the proposed acquisition of subsidiary companies (Note 45)	22,375,250	30,983,887	22,375,250	30,983,887
Deposits	6,300,620	10,585,003	5,308,658	9,707,816
Prepayments	4,192,528	5,396,265	2,554,866	5,271,543
Derivative financial assets	1,987,162	7,263,430	1,987,162	7,263,430
	65,412,469	82,604,073	45,000,992	80,905,918

The currency exposure profile of gross other receivables (excluding GST recoverable, prepayments and deposits for proposed acquisition of subsidiary companies) is as follows:

Group	Company			
	2018 RM	2017 RM	2018 RM	2017 RM
- RM	35,169,720	37,414,289	17,214,940	37,387,058
- US Dollar	1,987,162	7,263,430	1,987,162	7,263,430
- Singapore Dollar	791,375	1,546,175	-	-
	37,948,257	46,223,894	19,202,102	44,650,488

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

14. AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY

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

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

	Group/Company	
	2018	2017
	RM	RM
- RM	2,190,663	4,863,407
- US Dollar	2,269,759	463,723
- Singapore Dollar	238,595	378,836
	4,699,017	5,705,96

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

	Group/Company	
	2018	2017
	RM	RM
- RM	-	5,700
- Japanese Yen	1,143,940	1,104,445
- US Dollar	272,419	18,537
	1,416,359	1,128,682

15. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2018	2017
	RM	RM
Trade accounts	1,447,933	748,313
Non-interest bearing advances	222,297,284	45,034,200
	223,745,217	45,782,513
Impairment loss	(11,208,061)	-
	212,537,156	45,782,513

The currency exposure profile of amounts owing by subsidiary companies are as follows:

	Company	
	2018	2017
	RM	RM
- RM	212,537,156	34,386,679
- Singapore Dollar	11,208,061	11,395,834
	223,745,217	45,782,513

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

The amounts owing to subsidiary companies comprise:

	Company	
	2018 RM	2017 RM
Trade accounts	8,983,744	8,763,449
Non-interest bearing advances	28,983,196	26,143,196
	37,966,940	34,906,645

The currency exposure profile of amounts owing to subsidiary companies are as follows:

	Company	
	2018 RM	2017 RM
- RM	37,949,664	34,004,572
- Singapore Dollar	17,276	902,073
	37,966,940	34,906,645

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

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

16. AMOUNTS OWING BY/TO RELATED COMPANIES

The amounts owing by related companies represent trade accounts which are expected to be settled within the normal credit period.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
- RM	4,260,320	2,777,305	4,260,320	3,023,844
- US Dollar	5,004,056	6,625,967	5,004,056	6,625,967
- Singapore Dollar	158,594	80,301	158,594	80,301
- Thai Baht	16,344	12,350	16,344	12,350
- Euro	56,834	8,856	56,834	8,856
- Australian Dollar	139,758	-	139,758	-
- Hong Kong Dollar	870	-	870	-
	9,636,776	9,504,779	9,636,776	9,751,318

The amounts owing to related companies represent trade accounts which are expected to be settled within the normal credit period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
RM	157,341	28,337	157,341	28,337
Singapore Dollar	702,592	600,991	702,592	600,991
US Dollar	2,612,949	1,539,962	2,612,949	1,597,459
Thai Baht	131,601	369,433	131,601	369,433
Australia Dollar	12,350	5,443	12,350	5,443
Canada Dollar	10,012	1,846	10,012	1,846
Chinese Yuan Renminbi	977,591	375,601	977,591	375,601
Euro	228,846	980,113	228,846	980,113
Great Britain Pound	260,921	131,295	260,921	131,295
Hong Kong Dollar	260,529	490,322	260,529	490,322
Indian Rupee	798	1,593	798	1,593
South Korean Won	107,139	96,561	107,139	96,561
New Taiwan Dollar	60,429	37,918	60,429	37,918
Swedish Krona	2,048	74	2,048	74
New Zealand Dollar	3,019	-	3,019	-
	5,528,165	4,659,489	5,528,165	4,716,986

17. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the Group's and of the Company's deposits ranged between 2.95% to 3.20% (2017: 2.85% to 3.00%) per annum. All the deposits have maturities of three months or less.

18. CASH AND BANK BALANCES

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
- RM	25,918,053	40,860,701	9,338,686	28,103,831
- US Dollar	8,640,621	4,823,677	8,640,621	4,823,677
- Singapore Dollar	475,303	1,482,542	439,147	847,723
- Thai Baht	15,498	15,498	15,498	15,498
	35,049,475	47,182,418	18,433,952	33,790,729

19. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets held for sale of the Group and the Company pertain to a leasehold land and building with net carrying amount of RM172,960. On 12 January 2018, the Company has entered into a Sale and Purchase Agreement to dispose the assets for total consideration of RM680,000, to a third party.

The sale transaction is not complete as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20. SHARE CAPITAL

	2018		2017	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
At beginning of financial year	200,000,000	100,000,000	200,000,000	100,000,000
Transfer from share premium pursuant to the Companies Act 2016	-	801,317	-	-
At end of financial year	200,000,000	100,801,317	200,000,000	100,000,000

The new Companies Act 2016 ("CA 2016"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts outstanding in the share premium account become part of the Companies share capital pursuant to the transitional provisions set out in Section 618(2) of the CA 2016.

Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount outstanding in the share premium account of RM801,317 for purposes as set out in Section 618(3) of the CA 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members of the Company as a result of this transition.

The Company was given approval by Securities Commission to implement an Employees' Share Option Scheme ("ESOS") in 2007 in conjunction with the listing of the Company's share on the Main Market of Bursa Malaysia Securities Berhad.

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

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

- (a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.
- (b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:
 - (i) shall have attained the age of eighteen (18) years by the Date of Offer;
 - (ii) must fall within such other categories and criteria that the ESOS Committee may decide from time to time at its absolute discretion;
 - (iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20. SHARE CAPITAL (CONT'D)

The main features of the ESOS proposed to be set out in the By-Laws are as follows (Cont'd):

- (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 2018

21. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2018 RM	2017 RM
Future instalments payable		
- not later than one year	862,720	-
- later than one year but not later than five years	2,177,568	-
Total future instalments payable	3,040,288	-
Unexpired term charges	(125,162)	-
Total outstanding principal	2,915,126	-
Outstanding principal:		
- not later than one year <i>(included under current liabilities)</i>	(812,106)	-
- later than one year but not later than five years <i>(included under non-current liabilities)</i>	2,103,020	-

The effective interest rates of hire purchase and finance lease liabilities are ranged between 2.95% to 3.20% (2017: Nil) per annum.

22. BANK TERM LOANS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
The long term bank loans are repayable as follows: <i>(included under current liabilities)</i>				
- not later than one year	52,132,432	15,198,526	46,254,004	15,198,526
<i>(included under non-current liabilities)</i>				
- later than one year but not later than five years	136,247,998	33,208,034	112,734,286	33,208,034
- more than five years	64,652,308	-	49,366,879	-
	200,900,306	33,208,034	162,101,165	33,208,034
- RM	235,877,569	13,968,419	191,200,000	13,968,419
- US Dollar	17,155,169	34,438,141	17,155,169	34,438,141
	253,032,738	48,406,560	208,355,169	48,406,560

Bank term loans of the Group amounting to RM44,677,569 (2017: Nil) are secured by legal charged over the freehold land, buildings and warehouses of a subsidiary company and guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

22. BANK TERM LOANS

The details of the bank term loans are as follow:

Principal Amount RM	Monthly Instalment RM	Commencing on	Interest rate per annum	Group		Company	
				2018 RM	2017 RM	2018 RM	2017 RM
6,000,000	100,000	09 July 2013	4.25% fixed rate	726,129	2,494,173	726,129	2,494,173
10,000,000	183,333	19 May 2014	4.56% fixed rate	3,339,938	6,836,899	3,339,938	6,836,899
10,000,000	116,667	10 October 2014	4.61% fixed rate	2,969,926	5,101,423	2,969,926	5,101,423
7,000,000	166,667	07 November 2014	4.61% fixed rate	2,885,335	6,162,074	2,885,335	6,162,074
10,000,000	196,000	24 February 2015	4.60% fixed rate	3,020,282	6,688,809	3,020,282	6,688,809
2,000,000	35,000	28 April 2015	4.60% fixed rate	1,043,479	1,465,071	1,043,479	1,465,071
8,000,000	140,000	28 April 2015	4.60% fixed rate	3,170,080	5,689,692	3,170,080	5,689,692
14,000,000	116,667	29 March 2017	4.88% fixed rate	12,600,000	13,968,419	12,600,000	13,968,419
18,000,000	100,000	20 June 2017	4.93% fixed rate	17,100,000	-	17,100,000	-
50,000,000	1,388,889	07 July 2017	4.69% fixed rate	50,000,000	-	50,000,000	-
50,000,000	833,333	07 July 2017	4.86% fixed rate	50,000,000	-	50,000,000	-
52,000,000	433,333	07 July 2017	4.99% fixed rate	52,000,000	-	52,000,000	-
10,000,000	55,556	17 August 2017	4.985% fixed rate	9,500,000	-	9,500,000	-
22,000,000	209,912	04 January 2010	BLR – 1.80%	15,895,383	-	-	-
7,089,000	54,593	01 December 2011	BLR – 2.00%	4,741,893	-	-	-
12,640,000	97,342	01 December 2011	BLR – 2.00%	10,280,514	-	-	-
1,500,000	11,522	04 January 2010	BLR – 2.00%	1,229,766	-	-	-
170,880	1,082	01 December 2015	BLR – 2.00%	159,389	-	-	-
166,680	1,056	01 December 2015	BLR – 2.00%	155,472	-	-	-
167,280	1,060	01 December 2015	BLR – 2.00%	156,031	-	-	-
167,880	1,063	01 December 2015	BLR – 2.00%	156,598	-	-	-
169,680	1,075	01 December 2015	BLR – 2.00%	158,270	-	-	-
170,280	1,079	01 December 2015	BLR – 2.00%	158,830	-	-	-
12,000,000	110,086	01 February 2017	BLR – 2.00%	11,585,423	-	-	-
				253,032,738	48,406,560	208,355,169	48,406,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
At the beginning of the year	10,400,631	8,827,160	8,843,664	7,877,283
Acquisition of subsidiaries (Note 38)	15,078,224	-	-	-
Recognised in profit or loss	(1,527,026)	1,573,471	(523,584)	966,381
At the end of the year	23,951,829	10,400,631	8,320,080	8,843,664

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Tax effects of:				
- excess of capital allowances over accumulated depreciation on property, plant and equipment	12,796,333	9,798,557	8,652,430	8,528,939
- surplus on revaluation of land and buildings	267,942	287,349	-	-
- fair value adjustment arising from acquisition of subsidiaries	11,399,855	-	-	-
- allowance for doubtful debts	(38,922)	(370,381)	-	(370,381)
- unrealised (loss)/gain on foreign exchange	(332,350)	685,106	(332,350)	685,106
- others	(141,029)	-	-	-
	23,951,829	10,400,631	8,320,080	8,843,664

24. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
- RM	38,193,679	33,929,648	32,745,957	33,361,883
- Singapore Dollar	193,397	935,646	10,185	9,053
- Thai Baht	2,941	3,192	2,941	3,192
- US Dollar	333,286	27,313	333,286	27,313
- Japanese Yen	1,374	-	1,374	-
- Euro	3,220	15,005	3,220	15,005
- New Zealand Dollar	494	236	494	236
	38,728,391	34,911,040	33,097,457	33,416,682

The credit terms extended are ranged between 15 and 60 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sundry payables, deposits and accruals	37,244,438	70,023,574	31,265,534	68,474,909
GST payable	818,103	886,201	-	207,445
	38,062,541	70,909,775	31,265,534	68,682,354

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

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
- RM	36,925,459	69,605,798	31,265,534	68,474,909
- Singapore Dollar	318,979	417,776	-	-
	37,244,438	70,023,574	31,265,534	68,474,909

26. REVOLVING CREDITS

The revolving credits bear interest rates between 3.95% to 4.20% (2017: Nil) per annum. The revolving credits have maturities of one month and are unsecured.

27. REVENUE

Revenue represents the invoiced value of freight forwarding, temperature controlled logistics, transportation, warehousing and related services rendered.

28. OTHER INCOME

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Gross dividends from				
- associated company	-	-	-	653,153
- unquoted investments	36,600	36,600	36,600	36,600
Interest income	1,428,997	1,437,809	1,236,475	1,415,256
Gain on disposal of property, plant and equipment	5,591,188	194,166	-	177,866
Realised gain on foreign exchange	-	1,201,057	-	1,201,057
Unrealised gain on foreign exchange	-	2,854,608	-	2,854,608
Operating lease income from land and buildings	342,131	316,500	342,131	316,500
Allowance for doubtful debts no longer required	1,726,395	2,026,806	1,372,169	2,026,806
Sundry income	1,553,394	221,228	317,152	40,220
	10,678,705	8,288,774	3,304,527	8,722,066

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

29. PROFIT FROM OPERATIONS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	232,837	176,927	97,000	97,000
- review of quarterly financial statements	69,500	68,000	69,500	68,000
Allowance for doubtful debts				
- subsidiary company	-	-	9,736,756	-
- other	844,158	842,406	514,383	777,350
Depreciation	23,411,821	16,766,350	15,941,816	15,020,655
Loss on disposal of property, plant and equipment	-	-	3,097,332	-
Legal and professional fees	6,675,658	5,253,877	6,436,112	5,232,362
Impairment loss on other investments	-	57,000	-	57,000
Impairment loss on investment in subsidiary company	-	-	230,000	-
Other investments written off	-	14,000	-	14,000
Operating lease rentals				
- land and buildings	15,220,043	14,778,936	12,992,156	12,849,917
- trucks	12,149,883	9,084,705	5,741,285	3,755,419
- forklifts	2,676,161	2,482,681	2,507,687	2,322,491
- office equipment	890,424	745,064	862,033	717,722
- office premises	483,439	-	483,439	-
Property, plant and equipment written off	888,585	-	871,928	-
Realised loss on foreign exchange	2,354,278	-	2,318,745	-
Unrealised loss on foreign exchange	4,582,157	-	4,582,157	-

30. FINANCE COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expense on:				
- term loans	9,564,320	1,599,124	7,379,799	595,836
- revolving credits	315,578	90,781	315,578	90,781
- hire purchase and finance lease	114,032	-	-	-
	9,993,930	1,689,905	7,695,377	686,617

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

31. TAX EXPENSE

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Malaysian tax based on results for the year				
- current	12,150,327	11,128,520	8,536,060	10,145,319
- deferred	(1,459,070)	784,425	(1,043,017)	811,510
	10,691,257	11,912,945	7,493,043	10,956,829
Real property gains tax	427,693	-	-	-
Under/(Over) provision in prior year				
- current	1,294,650	(191,802)	1,342,222	(470,648)
- deferred	(67,956)	789,046	519,433	154,871
- real property gains tax	-	162,458	-	162,458
	12,345,644	12,672,647	9,354,698	10,803,510

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Accounting profit (excluding share of results in associate company and joint venture)	42,224,534	43,107,208	13,373,040	41,978,274
Taxation at applicable statutory tax rate of 24%	10,133,888	10,345,730	3,209,530	10,074,786
Tax effects arising from:				
- non-deductible expenses	2,054,275	1,207,018	4,292,297	1,089,564
- non-taxable income	(2,112,080)	(50,764)	(8,784)	(207,521)
Deferred tax benefits not recognised	666,345	456,067	-	-
Real property gain tax	427,693	-	-	-
Effect of different tax rate in another country	(51,171)	(45,106)	-	-
Under/(Over) provision in prior year	1,226,694	759,702	1,861,655	(153,319)
	12,345,644	12,672,647	9,354,698	10,803,510

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Unabsorbed tax losses	11,696,984	8,920,547	-	-

32. 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 RM29,398,501 (2017: RM30,668,875) by the number of ordinary shares issued of 200,000,000 (2017: 200,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

33. DIVIDENDS

	2018 RM	2017 RM
<i>In respect of the financial year ended 31 March 2016:</i>		
- Final single tier dividend of 2.50 sen per share	-	5,000,000
<i>In respect of the financial year ended 31 March 2017:</i>		
- Interim single tier dividend of 2.00 sen per share	-	4,000,000
- Final single tier dividend of 2.50 sen per share	5,000,000	-
<i>In respect of the financial year ended 31 March 2018:</i>		
- Interim single tier dividend of 2.00 sen per share	4,000,000	-
	9,000,000	9,000,000

On 24 May 2018, the directors declared a final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of the financial year ended 31 March 2018.

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Aggregate cost of property, plant and equipment acquired (Note 5)	24,137,281	14,024,453	23,027,720	13,896,556
Unpaid balance included under others payables (Note 25)	494,093	(494,093)	494,093	(494,093)
Total cash paid during the financial year	24,631,374	13,530,360	23,521,813	13,402,463

35. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Employee benefits expense	125,885,534	96,670,133	73,748,821	67,091,681

Included in the employee benefits expense are EPF contributions amounting to RM10,475,177 (2017: RM7,338,957) for the Group and RM4,642,113 (2017: RM4,379,583) for the Company.

36. RELATED PARTY DISCLOSURES

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

36. RELATED PARTY DISCLOSURES (CONT'D)

Other than those disclosed elsewhere in the financial statements, the significant related party transactions during the financial year were as follows:

	--- Transaction value --- Group		-- Balance outstanding -- Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<i>Transactions with subsidiary companies</i>				
Rental of trucks paid and payable	457,640	480,680	649,437	466,245
Labour charges paid and payable	35,751,350	25,814,228	6,122,798	4,342,069
Rental of premises paid and payables	4,537,462	4,537,462	1,823,114	1,155,798
Maintenance charges paid and payable	3,584,994	6,138,924	362,519	1,904,578
Handling fees paid and payable	1,078,700	1,808,410	17,276	894,759
Related logistic services paid	8,240	6,000	8,600	-
Handling fees received and receivable	149,288	292,731	-	123,161
Related logistics services received and receivable	5,979,774	4,691,719	262,203	456,612
Rental of trucks received and receivable	1,922,364	1,837,000	1,185,730	168,540
Interest received and receivable	452,502	936,255	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

36. RELATED PARTY DISCLOSURES (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>								
Related logistic services received and receivable	51,113,535	51,597,035	51,113,535	51,597,035	4,699,017	5,705,966	4,699,017	5,705,966
Related logistic services paid and payable	15,788,780	16,490,190	15,788,780	16,490,190	1,416,359	1,128,682	1,416,359	1,128,682
<i>Transactions with subsidiary companies of the ultimate holding company</i>								
Related logistic services received and receivable	61,007,689	46,632,077	61,007,689	46,632,077	9,636,776	9,504,779	9,636,776	9,751,318
Rental received and receivable	315,600	300,000	315,600	300,000	-	-	-	-
Related logistic services paid and payable	69,853,398	63,333,656	69,853,398	63,333,656	5,528,165	4,659,489	5,528,165	4,716,986
Management fee paid and payable	4,423,877	3,950,680	4,423,877	3,950,680	-	-	-	-
IT fees paid and payable	692,782	312,425	692,782	312,425	-	-	-	-
<i>Transactions with associated company</i>								
Rental of premises paid and payable	94,050	1,410,750	94,050	1,410,750	-	164,774	-	164,774
Accounting fee received and receivable	-	14,400	-	14,400	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

37. KEY MANAGEMENT PERSONNEL COMPENSATION

	2018 RM	Group 2017 RM	Company 2018 RM	2017 RM
<i>Directors</i>				
Directors' fee	355,600	433,920	96,000	96,000
Short-term employee benefits - salary, bonus and allowances	2,970,956	2,697,306	2,944,996	2,655,066
Post-employment benefits - EPF	321,312	327,238	321,312	327,238
	3,647,868	3,458,464	3,362,308	3,078,304
<i>Other key management personnel</i>				
Short-term employee benefits - salary, bonus and allowances	3,269,342	2,995,607	3,269,342	2,995,607
Post-employment benefits - EPF	282,984	255,045	282,984	255,045
	3,552,326	3,250,652	3,552,326	3,250,652
Total compensation	7,200,194	6,709,116	6,914,634	6,328,956

38. ACQUISITION OF SUBSIDIARY COMPANIES

(a) Gold Cold Transport Group

On 12 July 2017, a wholly-owned subsidiary of the Company, Tasco Yusen Gold Cold Sdn Bhd (formerly known as *Tasco Express Sdn Bhd*), acquired 100% equity interest in Gold Cold Transport Sdn Bhd ("GCT") for a cash consideration of RM185,616,671. Consequently, GCT became an 100% owned subsidiary company of the Group.

GCT has one subsidiary company, namely GL Logistic Sdn Bhd (collectively known as "GCT Group"). GCT Group is principally involved in transportation, provision of cold room facilities, repackaging and value added facilities services.

(b) Meriah Selalu Sdn Bhd

On 1 January 2018, the Company acquired 100% equity interest in Meriah Selalu Sdn Bhd ("Meriah Selalu") for a total cash consideration of RM15,217,375. Meriah Selalu is principally involved in operating container depot, providing services of storing, handling, cleaning and repairing of containers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

38. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

- (i) Assets acquired and liabilities recognised at the date of acquisition are as follows:

	GCT Group RM	Meriah Selalu RM	Total RM
<u>Assets</u>			
Property, plant and equipment	148,240,310	15,399,230	163,639,540
Trade receivables	16,826,956	142,827	16,969,783
Other receivables and prepayments	2,717,126	134,967	2,852,093
Current tax assets	-	10,881	10,881
Cash and bank balances	7,607,735	2,660,167	10,267,902
<u>Liabilities</u>			
Trade payables	(4,738,754)	(63,065)	(4,801,819)
Other payables and accruals	(3,710,981)	(180,783)	(3,891,764)
Current tax liabilities	(32,172)	-	(32,172)
Borrowings	(50,966,228)	-	(50,966,228)
Deferred tax liabilities	(12,191,375)	(2,886,849)	(15,078,224)
Net assets	103,752,617	15,217,375	118,969,992
Net assets acquired	103,752,617	15,217,375	118,969,992
Goodwill arising on acquisition (Note 6)	81,864,054	-	81,864,054
Purchase consideration	185,616,671	15,217,375	200,834,046

Effects of acquisition on cash flows:

	GCT Group RM	Meriah Selalu RM	Total RM
Consideration paid in cash	(185,616,671)	(15,217,375)	(200,834,046)
Cash and cash equivalents of subsidiary companies acquired	7,607,735	2,660,167	10,267,902
Net cash outflow on acquisition	(178,008,936)	(12,557,208)	(190,566,144)

- (ii) Impact of the acquisition to the Group:

	GCT Group RM	Meriah Selalu RM	Total RM
Group's revenue	61,408,349	922,568	62,330,917
Group's profit for the year	7,262,801	11,893	7,274,694

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

38. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

(ii) Impact of the acquisition to the Group (Cont'd):

Had these subsidiaries been acquired since 1 April 2017, the Group's revenue and profit for the financial year would have been RM738,021,035 and RM33,137,926 respectively. These figures were presented solely for illustrative purpose to provide reference for comparison in future period.

Acquisition-related costs of RM1,004,896 (2017: RM535,455) are included in administrative and general expenses in the consolidated statement of comprehensive income for the year ended 31 March 2018.

39. 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 from third parties 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:

	2018 RM	Group 2017 RM	Company 2018 RM	2017 RM
Not later than one year	7,111,051	5,907,066	6,360,665	5,907,066
Later than one year but not later than 5 years	9,295,045	1,743,198	7,126,956	1,743,198
	16,406,096	7,650,264	13,487,621	7,650,264

The Group as lessor

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

40. OTHER COMMITMENTS

	Group/Company 2018 RM	2017 RM
Authorised and contracted for:		
- acquisition of property, plant and equipment	9,842,113	1,814,166
- proposed acquisition of subsidiary companies (Note 45)	121,377,250	298,385,313
	131,219,363	300,199,479

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

41. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets per statement of financial position

2018 Group	Loans and receivables RM	Available- for-sale RM	Total RM
Other investments	-	1,008,204	1,008,204
Trade receivables	108,936,254	-	108,936,254
Other receivables*	35,961,095	1,987,162	37,948,257
Amount owing by immediate holding company	4,699,017	-	4,699,017
Amounts owing by related companies	9,636,776	-	9,636,776
Fixed deposits with licensed banks	45,368,706	-	45,368,706
Cash and bank balances	35,049,475	-	35,049,475
Total financial assets	239,651,323	2,995,366	242,646,689

2017 Group	Loans and receivables RM	Available- for-sale RM	Total RM
Other investments	-	1,008,204	1,008,204
Trade receivables	87,854,209	-	87,854,209
Other receivables*	38,960,464	7,263,430	46,223,894
Amount owing by immediate holding company	5,705,966	-	5,705,966
Amounts owing by related companies	9,504,779	-	9,504,779
Fixed deposits with licensed banks	34,517,318	-	34,517,318
Cash and bank balances	47,182,418	-	47,182,418
Total financial assets	223,725,154	8,271,634	231,996,788

* Excluding prepayments, GST recoverable and deposits paid for the proposed acquisition of subsidiary companies.

Financial liabilities per statement of financial position

2018 Group	At amortised cost RM
Trade payables	38,728,391
Other payables and accruals (excluding GST payable)	37,244,438
Amount owing to immediate holding company	1,416,359
Amounts owing to related companies	5,528,165
Hire purchase and finance lease liabilities	2,915,126
Revolving credits	20,000,000
Bank term loans	253,032,738
Total financial liabilities	358,865,217

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial liabilities per statement of financial position (Cont'd)

2017 Group	At amortised cost RM
Trade payables	34,911,040
Other payables and accruals (excluding GST payable)	70,023,574
Amounts owing to immediate holding company	1,128,682
Amounts owing to related companies	4,659,489
Amount owing to associated company	164,774
Bank term loans	48,406,560
Total financial liabilities	159,294,119

Financial assets per statement of financial position

2018 Company	Loans and receivables RM	Available- for-sale RM	Total RM
Other investments	-	1,008,204	1,008,204
Trade receivables	87,543,813	-	87,543,813
Other receivables*	17,214,940	1,987,162	19,202,102
Amount owing by immediate holdings company	4,699,017	-	4,699,017
Amounts owing by subsidiary companies	212,537,156	-	212,537,156
Amounts owing by related companies	9,636,776	-	9,636,776
Fixed deposits with licensed banks	39,796,998	-	39,796,998
Cash and bank balances	18,433,952	-	18,433,952
Total financial assets	389,862,652	2,995,366	392,858,018

2017 Company	Loans and receivables RM	Available- for-sale RM	Total RM
Other investments	-	1,008,204	1,008,204
Trade receivables	86,106,397	-	86,106,397
Other receivables*	37,387,058	7,263,430	44,650,488
Amounts owing by immediate holding company	5,705,966	-	5,705,966
Amounts owing by subsidiary companies	45,782,513	-	45,782,513
Amounts owing by related companies	9,751,318	-	9,751,318
Fixed deposits with licensed banks	34,517,318	-	34,517,318
Cash and bank balances	33,790,729	-	33,790,729
Total financial assets	253,041,299	8,271,634	261,312,933

* Excluding prepayments, GST recoverable and deposits paid for the proposed acquisition of subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial liabilities per statement of financial position

2018 Group	At amortised cost RM
Trade payables	33,097,457
Other payables and accruals (excluding GST payable)	31,265,534
Amount owing to immediate holding company	1,416,359
Amounts owing to subsidiary companies	37,966,940
Amounts owing to related companies	5,528,165
Revolving credits	20,000,000
Bank term loans	208,355,169
Total financial liabilities	337,629,624

2017 Group	
Trade payables	33,416,682
Other payables and accruals (excluding GST payable)	68,474,909
Amount owing to immediate holding company	1,128,682
Amounts owing to subsidiary companies	34,906,645
Amounts owing to related companies	4,716,986
Amount owing to associated company	164,774
Bank term loans	48,406,560
Total financial liabilities	191,215,238

(b) Fair value of financial instruments

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

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximate their fair values except for the followings:

2018	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Hire purchase and finance lease liabilities	2,915,126	2,420,319	-	-
Revolving credits	20,000,000	20,034,521	20,000,000	20,034,521
Bank term loans	253,032,738	253,963,625	208,355,169	209,286,056

2017	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Bank term loans	48,406,560	42,679,254	48,406,560	42,679,254

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

41. FINANCIAL INSTRUMENTS (CONT'D)

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

The Group's and the Company's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined as follows:

	Level 1 RM	Level 2 RM	Total RM
Financial assets Group/Company 2018			
Other investments	-	1,008,204	1,008,204
Derivative financial assets	-	1,987,162	1,987,162
	-	2,995,366	2,995,366
Financial assets Group/Company 2017			
Other investments	-	1,008,204	1,008,204
Derivative financial assets	-	7,263,430	7,263,430
	-	8,271,634	8,271,634

There is no financial instrument classified under level 3 of the fair value hierarchy.

During the financial year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2017: Nil).

42. 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 currencies other than the functional currency of the Group. The foreign currencies giving rise to this risk are primarily Japanese Yen, US Dollar and Singapore Dollar.

The principal amount of the Group's US Dollar 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
US Dollar	3,000,863	3,776,339	3,000,863	3,755,894
Singapore Dollar	207,868	359,534	51,056	158,244

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 and bank borrowings.

Surplus funds are placed with reputable 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.

Interest rate risk arising from Group's bank borrowings is subject to fixed interest rate spread above the banks' base lending rate before the facilities are accepted.

At the reporting date, if the interest rate had been 50 basis points lower/higher, with all the other variables held constant, the Group's profit net of tax would have been RM223,388 (2017: Nil) higher/lower, arising mainly as a result of lower/higher interest expense/income from floating rate bank term loans. The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

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 statements of financial position.

The Company is exposed to credit risk in relation to corporate guarantees in respect of the banking facilities granted to its subsidiary company. The Company monitor the results of the subsidiary company and the repayment on an on-going basis. The maximum exposure of the Company to credit risk amounting to RM44,677,569 (2017: Nil).

As at the reporting date, there was no indication that the subsidiary company would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

Credit risk (Cont'd)

As at year end, RM11.26 million or 10% (2017: RM9.85 million or 11%) of trade receivables is outstanding from a single debtor.

Management has taken reasonable steps to ensure that receivables that are past due but not 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:

2018	Gross RM	Group Impairment RM	Gross RM	Company Impairment RM
Not past due	85,571,220	-	81,193,249	-
Less than 30 days past due	14,732,059	-	10,339,662	-
Between 30 and 90 days past due	16,326,318	-	6,038,038	-
More than 90 days past due	7,687,404	1,044,954	6,442,058	685,468
	124,317,001	1,044,954	104,013,007	685,468
2017				
Not past due	77,254,603	-	77,105,190	-
Less than 30 days past due	13,267,962	-	12,782,615	-
Between 30 and 90 days past due	2,228,374	-	1,985,665	-
More than 90 days past due	11,922,325	1,608,310	11,981,778	1,543,254
	104,673,264	1,608,310	103,855,248	1,543,254

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

	Group RM	Company RM
At 1.4.2017	1,608,310	1,543,254
Acquisition of subsidiaries	318,881	-
Additions of allowance for doubtful debts	844,158	514,383
Allowance for doubtful debts no longer required	(1,726,395)	(1,372,169)
At 31.3.2018	1,044,954	685,468
At 1.4.2016	2,792,710	2,792,710
Additions of allowance for doubtful debts	842,406	777,350
Allowance for doubtful debts no longer required	(2,026,806)	(2,026,806)
At 31.3.2017	1,608,310	1,543,254

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

Liquidity and cash flow risks

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

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

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

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

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

2018	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	38,728,391	-	-	38,728,391
Other payables, deposit and accruals	37,244,438	-	-	37,244,438
Amount owing to immediate holding company	1,416,359	-	-	1,416,359
Amounts owing to related companies	5,528,165	-	-	5,528,165
Hire purchase and finance lease liabilities	862,720	2,177,568	-	3,040,288
Revolving credits	20,034,521	-	-	20,034,521
Bank term loans	54,597,688	142,708,166	67,726,507	265,032,361
Total undiscounted financial liabilities	158,412,282	144,885,734	67,726,507	371,024,523
Company				
Trade payables	33,097,457	-	-	33,097,457
Other payables, deposit and accruals	31,265,533	-	-	31,265,533
Amount owing to immediate holding company	1,416,359	-	-	1,416,359
Amounts owing to subsidiary companies	37,966,940	-	-	37,966,940
Amounts owing to related companies	5,528,166	-	-	5,528,166
Revolving credits	20,034,521	-	-	20,034,521
Bank term loans	48,430,255	118,038,434	51,689,591	218,158,280
Total undiscounted financial liabilities	177,739,231	118,038,434	51,689,591	347,467,256
Financial guarantee contracts*	6,155,008	24,620,032	16,004,609	46,779,649

* The management determined the fair value of the intra group financial guarantee to be not significant as the risk of default is assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

Liquidity and cash flow risks (Cont'd)

2017	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	34,911,040	-	-	34,911,040
Other payables, deposit and accruals	70,023,574	-	-	70,023,574
Amount owing to immediate holding company	1,128,682	-	-	1,128,682
Amounts owing to related companies	4,659,489	-	-	4,659,489
Amount owing to associated company	164,774	-	-	164,774
Bank term loans	16,920,594	34,777,137	8,874,080	60,571,811
Total undiscounted financial liabilities	127,808,153	34,777,137	8,874,080	171,459,370
Company				
Trade payables	33,416,682	-	-	33,416,682
Other payables, deposit and accruals	68,474,909	-	-	68,474,909
Amount owing to immediate holding company	1,128,682	-	-	1,128,682
Amounts owing to subsidiary companies	34,906,645	-	-	34,906,645
Amounts owing to related companies	4,716,986	-	-	4,716,986
Amount owing to associated company	164,774	-	-	164,774
Bank term loans	16,920,594	34,777,137	8,874,080	60,571,811
Total undiscounted financial liabilities	159,729,272	34,777,137	8,874,080	203,380,489

43. 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 year.

The Group's total debt-to-equity ratios at 31 March 2018 and 31 March 2017 were as follow:

	Group RM	Company RM
Share capital	100,801,317	100,000,000
Reserves	261,989,689	240,665,443
Total equity	362,791,006	340,665,443
Bank term loans	253,032,738	48,406,560
Revolving credits	20,000,000	-
Hire purchase and finance lease liabilities	2,915,126	-
Total debt	275,947,864	48,406,560
Total debt to equity ratio (times)	0.76	0.14

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

44. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

- | | |
|--|---|
| (i) Air Freight Forwarding Division ("AFF") | - Airfreight forwarding |
| (ii) Contract Logistics Division ("CLD") | - Customs forwarding, warehousing, and container haulage |
| (iii) Trucking Division ("TD") | - Trucking |
| (iv) Ocean Freight Forwarding Division ("OFF") | - Sea freight forwarding and buyer consolidation services |
| (v) Cold Supply Chain Division ("CSC") | - Cold supply chain |

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.

2018	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
REVENUE						
External sales	170,993,287	284,718,668	86,502,711	106,586,320	61,408,349	710,209,335
RESULTS						
Segment results	3,741,697	36,255,060	(1,782,910)	8,552,416	7,262,801	54,029,064
Unallocated corporate expenses	-	-	-	-	-	(1,810,600)
Profit from operations	-	-	-	-	-	52,218,464
Share of associated company and joint venture results	-	-	-	-	-	(221,414)
Finance costs	-	-	-	-	-	(9,993,930)
Profit before tax	-	-	-	-	-	42,003,120
Tax expense	-	-	-	-	-	(12,345,644)
Profit for the year	-	-	-	-	-	29,657,476
Included in operating profit:						
Depreciation of property, plant and equipment	-	-	-	-	-	23,411,821
Allowance for doubtful debts	-	-	-	-	-	844,158
Allowance for doubtful debts no longer required	-	-	-	-	-	(1,726,395)
Gain on disposal of property, plant and equipment	-	-	-	-	-	(5,591,188)
Property, plant and equipment written off	-	-	-	-	-	888,585
Unrealised loss on foreign exchange	-	-	-	-	-	4,582,157

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

44. SEGMENTAL ANALYSIS (CONT'D)

(a) Primary reporting format - business segment (Cont'd)

2017	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
REVENUE						
External sales	170,425,884	235,701,516	86,180,872	92,093,697	-	584,401,969
RESULTS						
Segment results	3,644,963	25,703,438	(1,728,481)	10,436,049	-	38,055,969
Unallocated corporate income	-	-	-	-	-	6,741,144
Profit from operations	-	-	-	-	-	44,797,113
Share of associated company results	-	-	-	-	-	421,490
Finance costs	-	-	-	-	-	(1,689,905)
Profit before tax	-	-	-	-	-	43,528,698
Tax expense	-	-	-	-	-	(12,672,647)
Profit for the year	-	-	-	-	-	30,856,051
Included in operating profit are:						
Depreciation of property, plant and equipment	-	-	-	-	-	16,766,350
Allowance for doubtful debts	-	-	-	-	-	842,406
Allowance for doubtful debts no longer required	-	-	-	-	-	(2,026,806)
Gain on disposal of property, plant and equipment	-	-	-	-	-	(194,166)
Unrealised gain on foreign exchange	-	-	-	-	-	(2,854,608)

RM125.75 million or 17.6% (2017: RM102.52 million or 17.5%) of the Group's revenue arising from a single customer.

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 2018

45. SIGNIFICANT EVENT PENDING COMPLETION

- (a) On 23 January 2017, the Company entered into the following agreements with Swift Integrated Logistics Sdn Bhd (formerly known as MISC Integrated Logistics Sdn Bhd) ("SILS"):
- (i) Sale and Purchase Agreement ("SPA") for the acquisition of six (6) parcels of leasehold lands all located in Pulau Indah, together with the furniture, fixtures, fittings and building(s) erected thereon for a cash consideration of RM113,827,400 ("Proposed Properties Acquisition"); and
 - (ii) Share Sale Agreement ("SSA") for the acquisition of 3,000,000 ordinary shares of RM1.00 each and 2,800,000 redeemable convertible preference shares ("RCPS") of RM0.10 each in MILS Cold Chain Logistics Sdn Bhd ("MCCL") ("Sale Shares"), representing the entire issued and paid-up capital of MCCL, for a cash consideration of RM9,925,100 ("Share Purchase Consideration") as well as the assumption of loans received by MCCL from SILS with an outstanding balance of RM20,000,000 ("Shareholder's Loan"), for a total cash consideration of RM29,925,100 ("Proposed Share Acquisition").

The Proposed Properties Acquisition and Proposed Share Acquisition are collectively referred to as the "Proposed Westport Acquisition".

Initial deposit for the Proposed Westport Acquisition amounting to RM11,382,740 and RM992,510, respectively, was paid on 23 January 2017 and was funded via internally-generated funds of the Company.

On 5 January 2018, parties to the SPA entered in to a Supplemental Agreement to vary certain terms and conditions to the SPA. On the same day, the Company paid an additional deposit of RM10,000,000 and the parties agreed to a further extension of time up to 30 April 2018 for the fulfilment of the conditions precedent to SSA.

On 13 April 2018, the Company announced that all conditions precedent in the SPA and SSA have been fulfilled on 12 April 2018. Accordingly, the Proposed Westport Acquisition has become unconditional on 12 April 2018.

However, in accordance to the SSA, the completion of the Proposed Westport Acquisition is subject to the settlement of the balance purchase consideration for the Proposed Westport Acquisition. The Company has secured a term loan facility of RM126 million to finance the Proposed Westport Acquisition.

46. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 24 May 2018.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lee Check Poh and Lim Jew Kiat, being directors of TASCO Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 73 to 138 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 March 2018 and their financial performance and cash flows of the Group and Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a directors' resolution.

LEE CHECK POH

Director

LIM JEW KIAT

Director

Kuala Lumpur

Date: 24 May 2018

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Tan Kim Yong (IC No.: 620120-10-6609), being the director primarily responsible for the financial management of TASCO Berhad do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 73 to 138 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 abovenamed
Tan Kim Yong
at Kuala Lumpur
in the Federal Territory
this 24 May 2018

TAN KIM YONG
(MIA: CA 8219)

Before me:

KAPT (B) JASNI BIN YUSOFF
No. W465
Commissioner of Oath

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 31.03.2018 (RM'000)
1.	Shah Alam No. 1, Jalan Sungai Kayu Ara 32/37 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,841 Built-up - 10,728	4 years	12-Jul-17	108,876
	No. 3, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 5,429	15 years	12-Jul-17	
	No. 4, Jalan Sungai Kayu Ara 32/39 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 4,949	12 years	12-Jul-17	
	No. 5, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,518 Built-up - 10,437	9 years	12-Jul-17	
2.	Shah Alam Lot No. 1A, Persiaran Jubli Perak Jalan 22/1, Seksyen 22, 40300 Shah Alam Selangor.	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 26,718	29 years	30-Jun-09	69,194
			Warehouse F Warehouse E		Built-up - 16,800 Built-up - 16,800	6 years 5 years		
3.	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	3 years	19-Mar-12	36,564
4.	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi Selangor	Industrial Land	Bangi Logistics Centre III Bangi Logistics Centre II	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119 Built-up - 19,584	10 years 7 years	25-May-04	27,130
	Bandar Baru Bangi Lot 46864 (PT 61734), Seksyen 10 43650 Bandar Baru Bangi Selangor	Industrial Land	Access road	Leasehold 99 years expiring 19.08.2098	Land - 450	NA	25-May-04	80

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 31.03.2018 (RM'000)
5.	Port Klang Lot 2, Solok Sultan Hishamuddin 10 Kawasan Perindustrian Selat Klang Utara 42000 Port Klang Selangor	Industrial Land	Port Klang Container Depot	Leasehold 60 years expiring 31.01.2062	Land - 24,068 Built-up - 57.6	17 years	02-Feb-18	14,618
6.	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	26 years	18-Jun-08	12,629
7.	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	26 years	19-Feb-08	11,150
8.	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas Pulau Pinang	Industrial Land	Penang Air Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	11 years	04-Jun-08	6,589
9.	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	8 years	01-Apr-10	4,767
10.	Kinta Lot No.21402 Lebuhr Perumahan Klebang 11 Kawasan Perusahaan International IGB 31200 Ipoh Perak	Industrial Land	Ipoh Logistics Centre	Freehold	Land - 9,864 Built-up - 1,794	10 years	11-Jan-07	3,374

ANALYSIS OF SHAREHOLDINGS

AS AT 29 JUNE 2018

Issued Shares : RM100,000,000.00
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	28	318	0.00
100 to 1,000 shares	239	160,002	0.08
1,001 to 10,000 shares	1,121	5,519,180	2.76
10,001 to 100,000 shares	492	16,564,200	8.28
100,001 to less than 5% of issued shares	79	77,337,058	38.67
5% and above issued shares	4	100,419,242	50.21
Total	1,963	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. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For CIMB Islamic Dali Equity Theme Fund	4,605,100	2.30
11. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Real Fortune Portfolio Sdn Bhd (PB)	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	4,000,000	2.00
15. Real Fortune Portfolio Sdn Bhd	3,660,876	1.83
16. Wong Lok Jee @ Ong Lok Jee	3,188,000	1.59
17. Amanahraya Trustees Berhad For CIMB Islamic Dali Asia Pacific Equity Growth Fund	1,507,900	0.75
18. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	1,436,500	0.72
19. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Bakat Impian Sdn Bhd (M78093)	1,420,000	0.71
20. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Ong Yoong Nyock (M78046)	1,230,000	0.62
21. Lee Chung Yau	1,000,000	0.50
22. Yeo Khee Huat	756,000	0.38
23. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	567,600	0.28
24. Tan Swee Lian	502,700	0.25
25. RHB Capital Nominees (Asing) Sdn Bhd Yasumasa Mizushima	500,200	0.25

ANALYSIS OF SHAREHOLDINGS

AS AT 29 JUNE 2018

LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of shares	%
26. Ong Ee Nah	500,000	0.25
27. Sow Tiap	448,000	0.22
28. Gan Tee Kian	440,000	0.22
29. AMSEC Nominees (Tempatan) Sdn Bhd AMBank (M) Berhad For Contrail Sdn Bhd	420,000	0.21
30. Yeo Khee Huat	364,000	0.18
Total	168,486,000	84.23

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	31.39	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	60,000	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 8 of the Act,

2. Deemed interested by virtue of its subsidiaries companies, Yusen Logistics Co., Ltd and Yusen Logistics (Singapore) Pte Ltd's equity interest in our Company pursuant to Section 8 of the Act

3. Deemed interested by virtue of its equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 8 of the Act,

SUBSIDIARY AND ASSOCIATED COMPANIES

SUBSIDIARY COMPANIES

	Country	Group Effective Interest		Principal Activities
		31.03.2018	31.03.2017	
1. Baik Sepakat Sdn Bhd	Malaysia	100	100	Truck rental and insurance agency services
2. Tunas Cergas Logistik Sdn Bhd	Malaysia	100	100	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
3. Emulsi Teknik Sdn Bhd	Malaysia	100	100	Truck rental and logistics services
4. Trans-Asia Shipping Pte Ltd	Singapore	100	100	Customs broking, handling agency and freight forwarding services
5. Maya Kekal Sdn Bhd	Malaysia	100	100	Trading
6. Precious Fortunes Sdn Bhd	Malaysia	100	100	Warehouse rental
7. Titian Pelangi Sdn Bhd	Malaysia	100	100	Warehouse rental
8. TASCO Yusen Gold Cold Sdn Bhd (Formerly known as TASCO Express Sdn Bhd)	Malaysia	100	100	Investment holding
9. Meriah Selalu Sdn Bhd	Malaysia	100	-	Operating container depot and providing services of storing, handling, cleaning and repairing of containers
10. Omega Saujana Sdn Bhd	Malaysia	51	51	Freight forwarding services
11. Piala Kristal (M) Sdn Bhd	Malaysia	51	51	Freight forwarding services

SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD
(Formerly known as TASCO Express Sdn Bhd)

1. Gold Cold Transport Sdn Bhd	Malaysia	100	-	Principal Activities Transportation, provision of cold room facilities, repackaging and value added facilities services
2. MILS Cold Chain Logistics Sdn Bhd	Malaysia	100	-	Cold and Chill storage services, cold chain logistics and related services
2. GC Logistics Sdn Bhd	Malaysia	100	-	Transportation, cold room storage facilities, repackaging and value added facilities services

	Country	Group Effective Interest		Principal Activities
		31.03.2018	31.03.2017	

ASSOCIATED COMPANY

1. Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Warehouse rental
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JOINT VENTURE COMPANY

1. YLTC Sdn Bhd	Malaysia	40	-	Trading, distribution and logistics business
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NOTICE OF FORTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Third 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 Thursday, 13 September 2018 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 2018 and the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' Fees of RM400,000 for the period from 1 April 2017 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*
3. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM15,000 from 14 September 2018 until the next Annual General Meeting of the Company. *Ordinary Resolution 2*
4. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Constitution:-
 - 4.1 Mr. Kwong Hoi Meng *Ordinary Resolution 3*
 - 4.2 Mr. Tan Kim Yong *Ordinary Resolution 4*
 - 4.3 Mr. Lim Jew Kiat *Ordinary Resolution 5*
5. To re-appoint Mazars PLT as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 6*
6. **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**
 As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications: -

"THAT Mr. Raymond Char Kar Siang who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."*Ordinary Resolution 7*

"THAT Mr. Raippan s/o Yagappan @ Raiappan Peter who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."*Ordinary Resolution 8*

"THAT subject to the passing of Ordinary Resolution 3, Mr. Kwong Hoi Meng who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."*Ordinary Resolution 9*
7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
 As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: -

"THAT pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 27 July 2018 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."*Ordinary Resolution 10*

NOTICE OF FORTY-THIRD ANNUAL GENERAL MEETING

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 340(1) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier;

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

8. AUTHORITY TO ALLOT SHARES

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

"THAT subject always to the Companies Act 2016 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot 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."

Ordinary Resolution 11

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

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya
Dated: 27 July 2018

NOTICE OF FORTY-THIRD ANNUAL GENERAL MEETING**Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 5 September 2018 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, speak 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.
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:

Note A - The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340(1) of the Companies Act 2016, hence, the matter will not be put for voting.

Ordinary Resolutions 1 and 2***Proposed Payment of Directors' Fees******Proposed Payment of Directors' Benefits to Non-Executive Directors***

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Forty-Third Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Ordinary Resolution 1 on payment of Directors' fees for the period from 1 April 2017 until next AGM of the Company; and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 14 September 2018 until the next AGM.

The Directors' benefits of the Company which is estimated not to exceed RM15,000 is basically the meeting allowances for Board/Board Committee meetings attended / to be attended for period from 14 September 2018 until the conclusion of the next AGM. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' fees and benefits paid to the Independent Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2018.

Ordinary Resolutions 7 to 9***Proposed Retention of Independent Non-Executive Directors***

The Proposed Ordinary Resolutions 7 to 9, if passed, will enable Mr. Raymond Char Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng to continue serving as the Independent Non-Executive Directors of the Company as recommended under Malaysian Code on Corporate Governance ("MCCG").

Their term of office as independent directors is calculated based on the listing date of the Company on 26 November 2007.

An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2018. The Board of Directors has considered the results of the independence assessment of Mr. Raymond Char Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng, which was undertaken pursuant to the guidelines as set out in the Main Market Listing Requirements of Bursa Securities and MCCG, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Mr. Raymond Char Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng should be retained as the Independent Non-Executive Directors of the Company.

NOTICE OF FORTY-THIRD ANNUAL GENERAL MEETING**Ordinary Resolution 10*****Proposed Shareholders' Mandate for Recurrent Transactions***

The proposed Ordinary Resolution 10, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Ordinary Resolution 11***Authority to Allot Shares***

At last year's Annual General Meeting, mandate was given to Directors to allot 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 11, if passed, will empower the Directors of the Company to 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, repayment of bank borrowing(s), if any, 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-Third 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 Thursday, 13 September 2018 at 3.00 p.m. and at any adjournment thereof.

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

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		

Dated:

Number of shares held

Signature/Common Seal of Shareholder(s)

Fold this flap for sealing

Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 5 September 2018 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, speak 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.
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.

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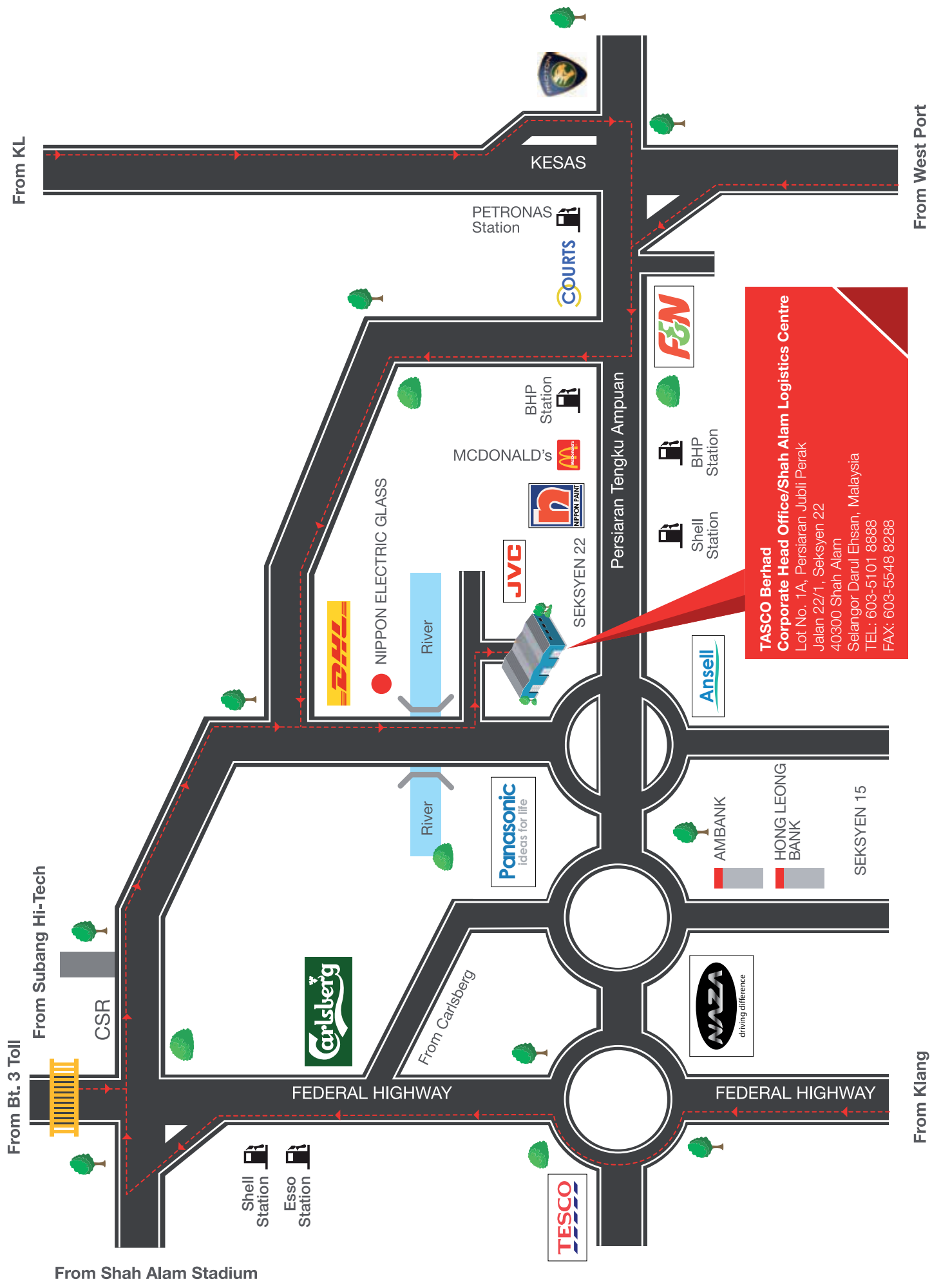
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THE COMPANY SECRETARY

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)
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