Yusen Logistics

TASCO
NYK GROUP COMPANY
TASCO Berhad 197401003124 (20218-T)

CONNECTED

COMMITTED

CREATIVE

ANNUAL REPORT 2020

www.tasco.com.my

TRANSFORM 2025

Create Better Connections

Cautionary Statement With Regard To Forward - Looking Statements

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

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OTHERS

VISION

Our new vision describes our ultimate ambition for the future

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

MISSION

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

VALUE

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.

- Connected
- Committed
- Creative

BRAND PROMISE

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

LET'S LIVE THE VALUES

BE CONNECTED

Be open and transparent in the way you work - and make sure you truly understand your customers' challenges.

LET'S LIVE THE VALUES

BE COMMITTED

Build relationship, show your dedication to quality - and get every detail right.

LET'S LIVE THE VALUES

BE CREATIVE

Strive to develop better ways of working - then act on them and share them with colleagues.

LET'S KEEP OUR PROMISE

CREATE BETTER CONNECTIONS

Get close to customers, work closely with colleagues - and help secure the future of our business.

OUR COMPANY PROFILE

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 24 logistics centres and 2,200 employees in Malaysia. It is a part of the global network of Yusen Logistics Co. Ltd having 594 locations and 24,713 employees worldwide as at 31 March 2020.

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.

TASCO

GC

HARIMAU EXPRESS

CONTRACT LOGISTIC DIVISION

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

COLD SUPPLY CHAIN DIVISION

- Cold Supply Chain
- Convenience Retail

TRUCKING DIVISION

- Domestic Trucking
- Cross Border Trucking

ABOUT Nippon Yusen Kabushiki Kaisha ("NYK")

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

NYK has 60,424 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 is a wholly-owned subsidiary of NYK and YLK shares were delisted from the Tokyo Stock Exchange on 29 January 2018;

YLK has 594 locations in 46 countries and 24,713 employees worldwide as at 31 March 2020;

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 remains the ultimate holding company of TASCO.

Yusen Logistics

OCEAN FREIGHT FORWARDING DIVISION

- Sea Freight Services
- Buyer Consolidation Services

AIR FREIGHT FORWARDING DIVISION

- Air Freight Services

DOMESTIC NETWORK

CORPORATE HEAD OFFICE

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

Tel: 603-5101 8888
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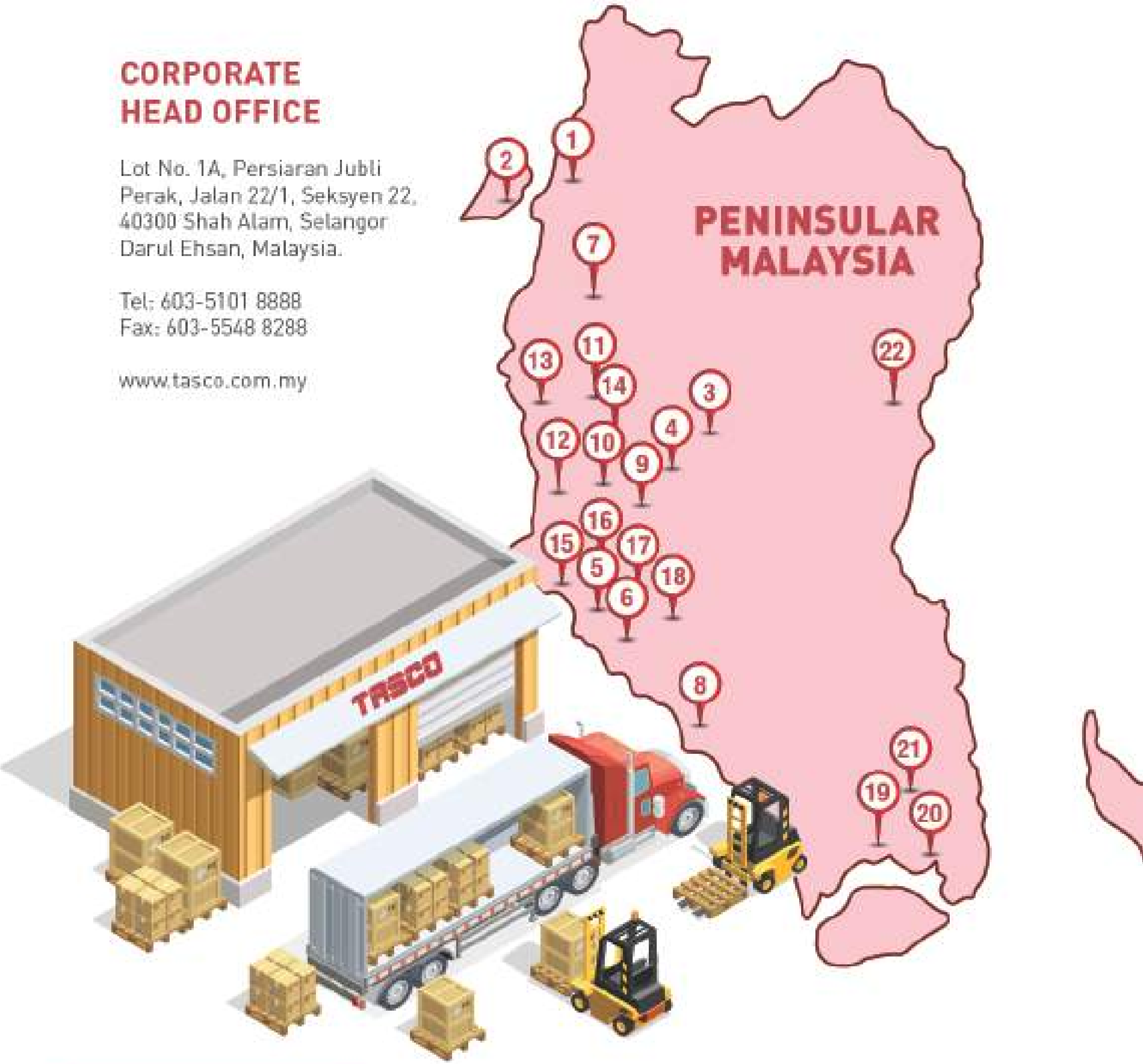


LOGISTICS CENTRES

PENINSULAR MALAYSIA

NORTHERN REGION

01. Penang Prai Logistics Centre
02. Penang Air Logistics Centre

CENTRAL REGION

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

PORT KLANG REGION

09. Port Klang Logistics Centre I
10. Port Klang Logistics Centre IV
11. North Port Logistics Centre

24 LOGISTICS CENTRES & 2,200 EMPLOYEES in MALAYSIA

EAST MALAYSIA

12. Port Klang Container Depot
13. West Port Logistics Centre
14. Bukit Raja Logistics Centre

BANGI REGION

15. Bangi Logistics Centre I
16. Bangi Logistics Centre II
17. Bangi Logistics Centre III
18. Bangi Container Depot

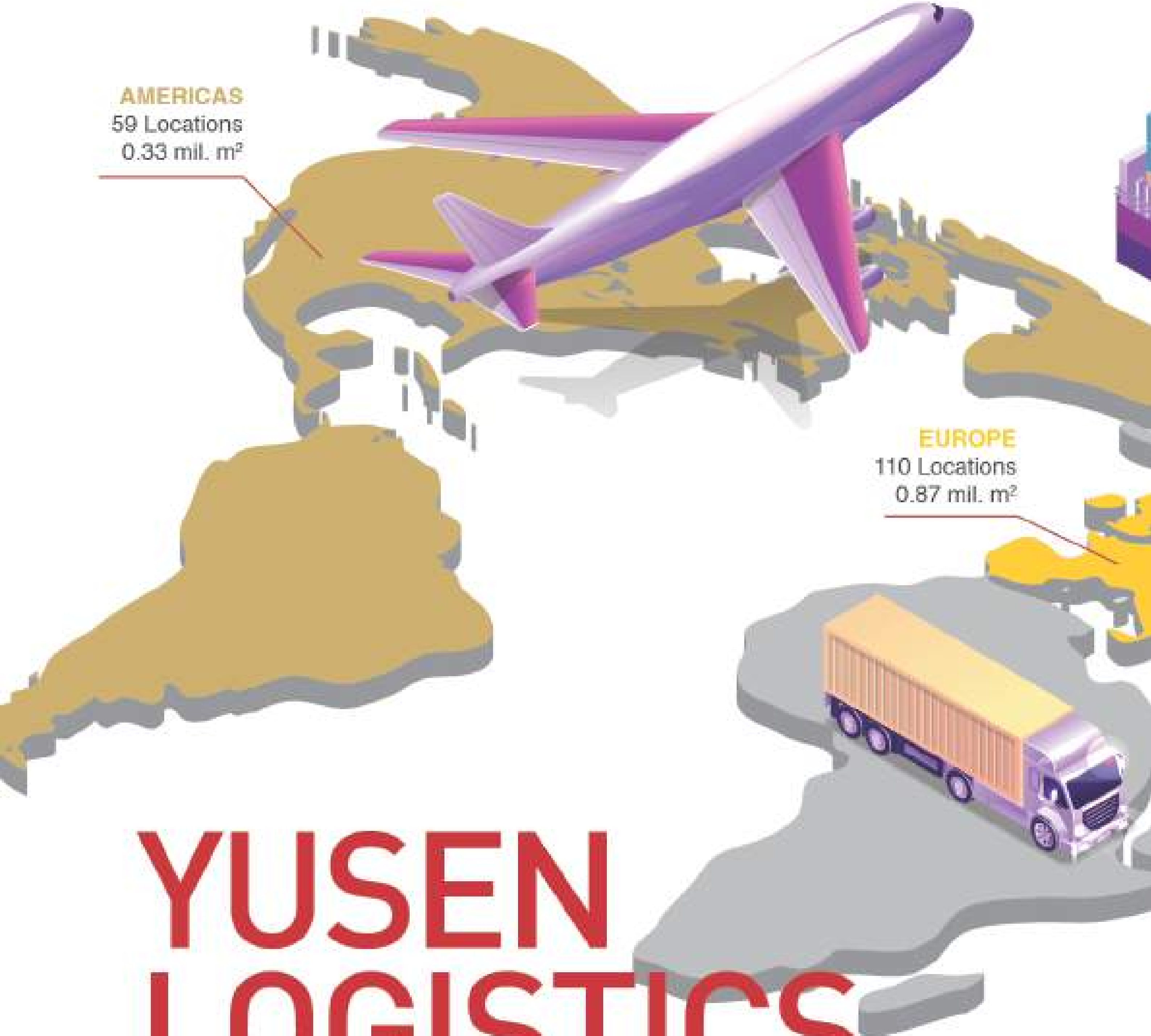
SOUTHERN REGION

19. Pasir Gudang Logistics Centre
20. Tanjung Pelepas Logistics Centre
21. Senai Seelong Logistics Centre

EAST COAST REGION

22. Kuantan Port Logistics Centre

23. Kuching Logistics Centre
24. Kota Kinabalu Logistics Centre



YUSEN LOGISTICS GROUP

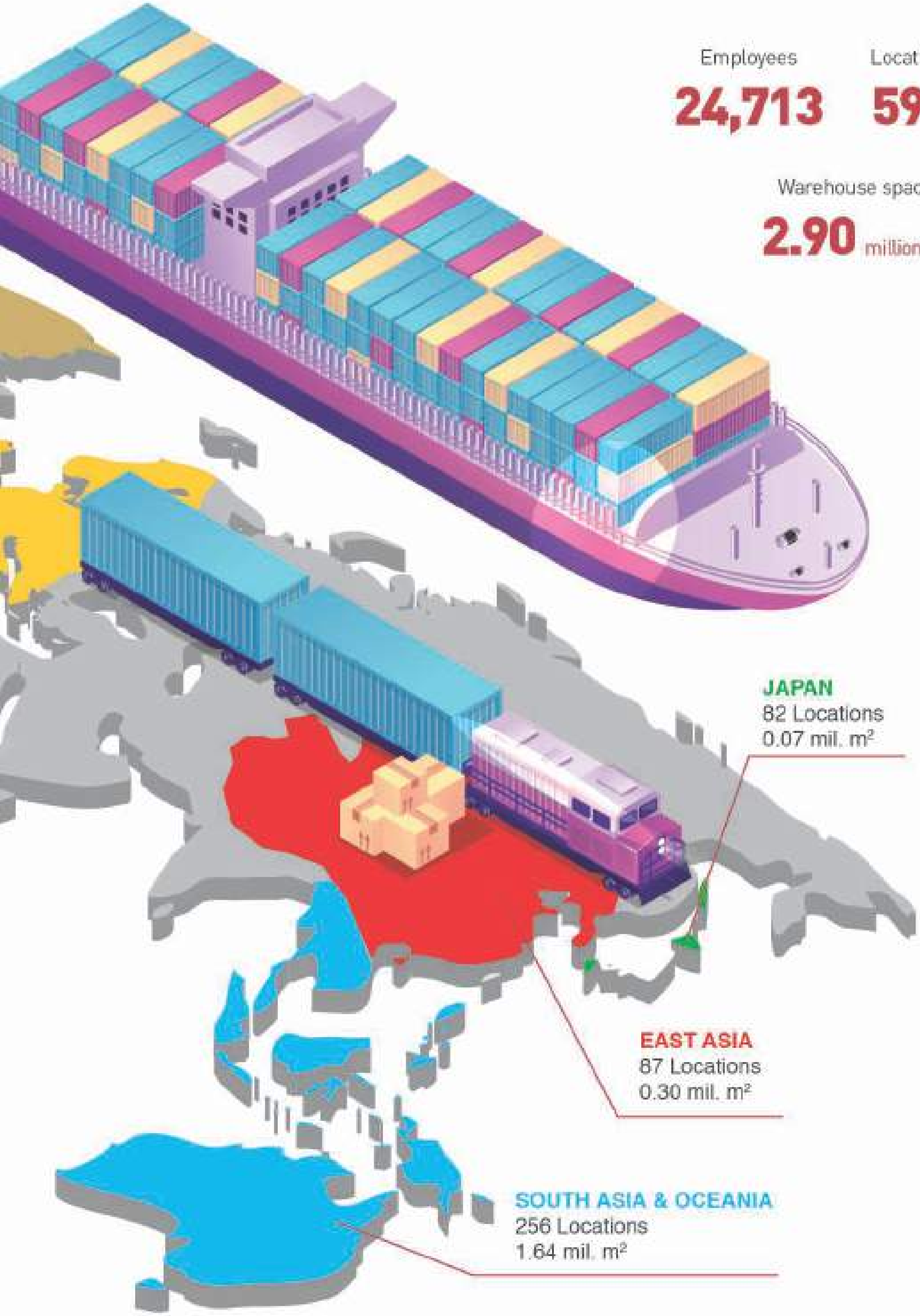
AS AT 31 MARCH 2020

YUSEN LOGISTICS GROUP
AS AT 31 MARCH 2020

Employees	Locations
24,713	**594**

Warehouse space

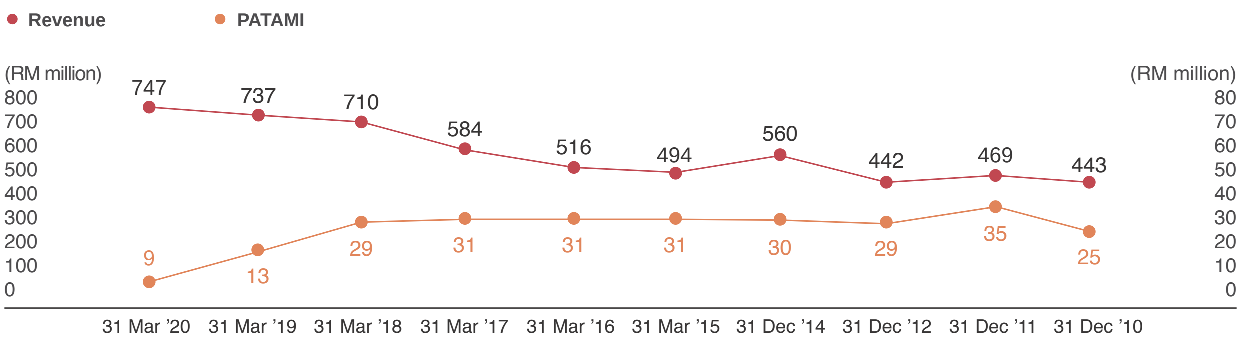
2.90 million m²



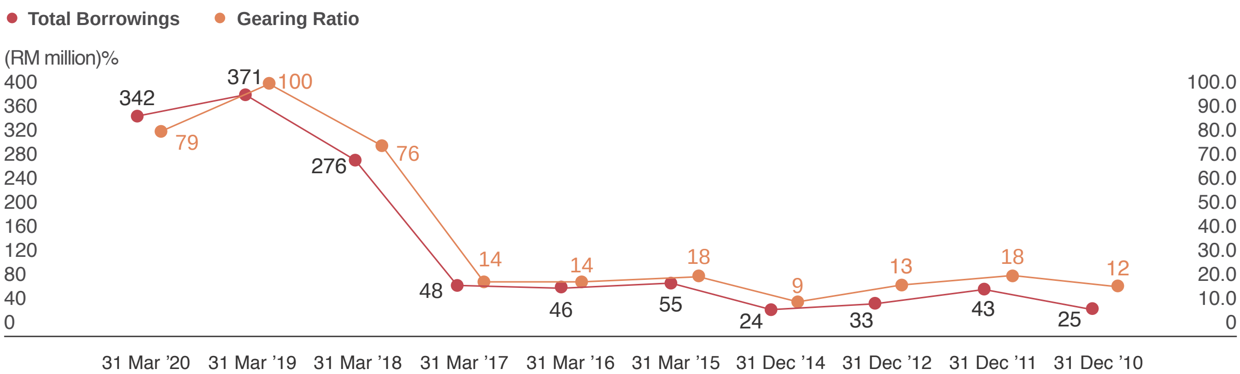
CONSOLIDATED FINANCIAL HIGHLIGHTS

Year/Period Ended	31 Mar '20	31 Mar '19	31 Mar '18	31 Mar '17
Results of operation (RM'000)				
Revenue	747,438	736,801	710,209	584,402
PBTAMI	19,583	18,342	41,744	43,342
PATAMI	8,891	13,063	29,399	30,669
Capital expenditures	9,672	143,301	24,137	14,024
Financial position at year/period end (RM'000)				
Share capital (ordinary shares)	100,801	100,801	100,801	100,000
Total assets	949,409	859,206	748,396	514,191
Cash and cash equivalents	191,781	77,179	78,415	81,700
Total liabilities	449,151	486,312	384,687	172,466
Total borrowings	342,332	371,115	275,947	48,407
Shareholder equity	435,682	371,257	362,391	340,665
Amount per share (sen)				
Earnings per share	4.45	6.53	14.70	15.33
Dividend per share (Annual)	2.00	2.50	4.50	4.50
Ratios (%)				
Shareholder equity ratio	45.9	43.2	48.4	66.3
Return on equity	2.0	3.5	8.1	9.0
Return on assets	0.9	1.5	3.9	6.0
Current ratio	201.3	143.2	174.5	212.2
Gearing ratio	79.0	100.0	76.1	14.2
Dividend payout ratio	45.0	38.3	30.6	29.3

REVENUE AND PATAMI



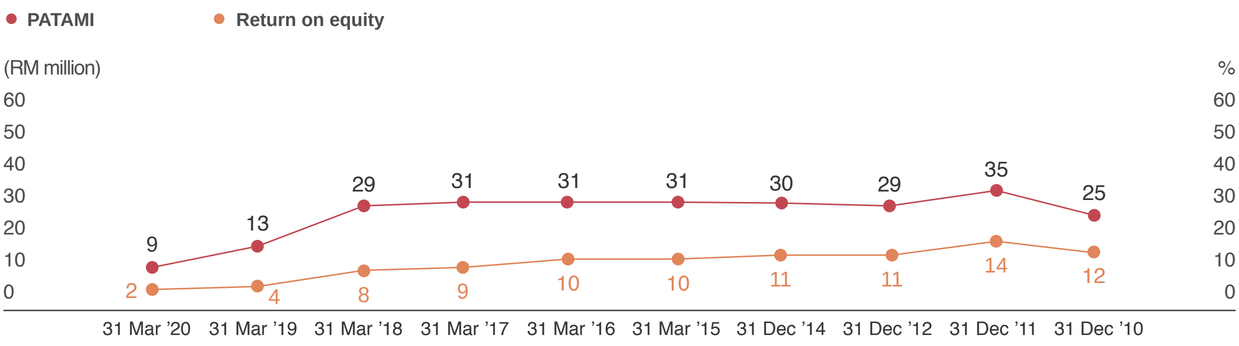
TOTAL BORROWINGS AND GEARING RATIO



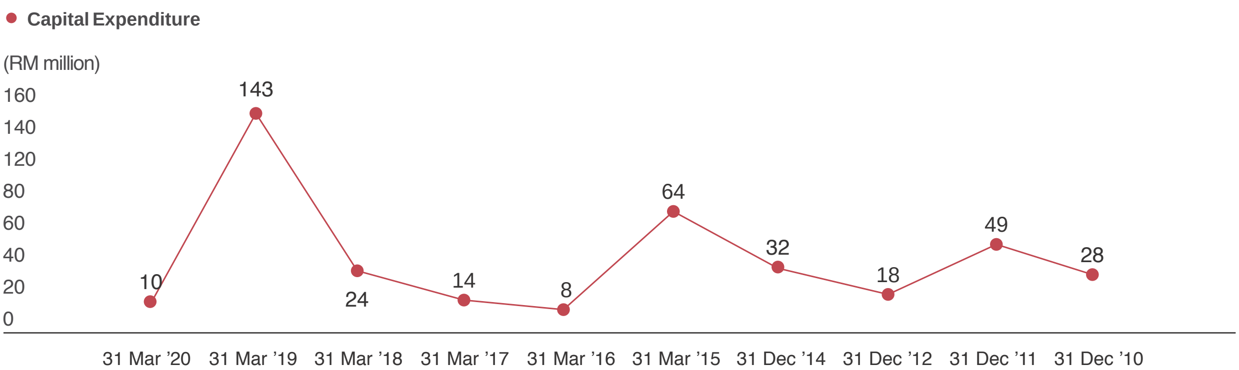
CONSOLIDATED FINANCIAL HIGHLIGHTS

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

REVENUE AND PATAMI



CAPITAL EXPENDITURES



CHAIRMAN'S STATEMENT

In the FYE 31 March 2020, TASCO Group focused on building strong foundations for the strategic ventures with the aim to elevate our long-term performance.

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors, it is my pleasure and privilege 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 2020.

For the financial year in review, TASCO continues to achieve encouraging financial results to deliver 1.4 per cent improvement in revenue growth against the subdued economic condition. The Group's profit before tax ("PBT") increased by 10.4 per cent; however, the Group's profit after tax ("PAT") declined by 26.0 per cent. Lower PAT was attributed to higher tax expenses resulting from under-provisioning of corporate tax expense in respect of the previous financial year by RM2.9 million. Profitability was also impacted by higher operation costs, interest cost and a more competitive market environment in our traditional core businesses.

The year under review was a year that TASCO strived to build strong foundations for the strategic ventures that we have entered into for the continuous growth of the Group. With the strategic expansion into Cold Supply Chain ("CSC") business coupled with convenience retail logistics ("CRL") business during the past two (2) years, our focus in the FYE 31 March 2020 has been to stabilise and grow the CSC business and improve our performance in CRL business. We have begun to see the fruits in these business areas, and we are optimistic that our strategic ventures into these two (2) segments will augur well for the Group's overall performance going forward.

Responding to the COVID-19 pandemic is a challenge for any business. As logistics has been classified as an essential service, the Group had continued to operate its business even during the Movement Control Order ("MCO") period which went into effect from 18 March 2020 to 3 May 2020. The Group's diversification since 2017 into CSC, which currently deals mainly in food and beverage ("F&B") sector as well as CRL (including pharmaceutical retail), has proven to be pivotal to our performance during the MCO period as demand for these sectors has remained strong during the lockdown. More details on the financial impact from COVID-19 can be found in Management Discussion and Analysis whereas TASCO management's response to COVID-19 can be found on page 23.

CHALLENGING ECONOMIC CONDITIONS

In 2019, the growth of the global economy remained subdued around the world. The global economy and global trade expanded by 2.9 per cent and 1.0 per cent respectively (2018: 3.6 per cent and 3.7 per cent, respectively), which were the lowest since 2009. The substantial moderation in growth of both economic and trade activities was due mainly to the protracted and unresolved global trade tensions which exacerbated the cyclical downturn in global manufacturing and investment activities.

The Malaysian economy expanded by 4.3 per cent in 2019 (2018 : 4.7 per cent), fuelled by the resilient private sector spending and continued expansion in the services and manufacturing sectors despite the challenging external environment. In the second half of the year, the economy was affected by supply disruptions in the commodities sector and contraction in public investment activity.

Economic developments in 2020 was initially projected as a year of modest recovery. However, things have taken a dramatic turn where the expected stabilisation in the global economy was interrupted by the sudden outbreak of COVID-19 which has since developed into a global health crisis. The International Monetary Fund ("IMF") opines that the coronavirus pandemic will cause a global recession in 2020 that could be worse than the one triggered by the global financial crisis of 2008-2009. Accordingly, the IMF had in June 2020 revised downwards the global growth projection for 2020 to -4.9% from -3% previously, as the depth of the downturn due to the pandemic became more apparent worldwide.

Malaysia has not been spared and the economic impact is already being deeply felt by households and businesses alike while the relevant authorities and frontliners are doing their best to mitigate the spread of the virus. Waves from the pandemic and the impact of the implementation of the MCO to contain its spread will result in large output losses for the Malaysian economy in 2020. Amidst these developments, Bank Negara Malaysia ("BNM") had in mid - August 2020 announced that Malaysia's gross domestic product ("GDP") contracted by 17.1% in the second quarter of 2020, mainly due to the impact of the MCO. BNM has also revised the nation's official GDP growth for 2020 to between -3.5% and -5.5% (2019 : 4.3 per cent) from between -2% and 0.5% previously. The growth outlook remains subject to significant uncertainty as developments surrounding the spread of the virus continue to evolve.

ENCOURAGING PERFORMANCE

Against this challenging economic backdrop, the Group garnered revenue of RM747.4 million for FYE 31 March 2020 in comparison to RM736.8 million in the preceding year, reflecting a RM10.6 million (1.4 per cent) year-on-year ("y-o-y") increase in revenue. The Group's profit before taxation ("PBT") increased by RM1.9 million (10.4 per cent) to RM20.6 million from RM18.7 million y-o-y, while its profit after tax ("PAT") for the financial year declined by RM3.5 million (26.0 per cent) y-o-y to RM9.9 million from RM13.4 million previously. The finer details of the Group's segmental performance can be found in the Management Discussion and Analysis section of this Annual Report.

GOOD SHAREHOLDER VALUE CREATION

To reward our shareholders for their continued support and confidence in us, in respect of FYE 31 March 2019, we paid shareholders a single-tier dividend of 2.5 sen per ordinary share amounting to RM5.0 million on 30 May 2019. In respect of FYE 31 March 2020, the Board of Directors had declared a single-tier dividend of 2.00 sen per ordinary share amounting to RM4.0 million on 18 June 2020, which was subsequently paid out on 27 July 2020.

The quantum of the dividend is kept to a fairly stable level. The Board is always mindful of the need to balance between rewarding shareholders while ensuring sufficient funding in line with the Group's business expansion plans.

KEY STRATEGIC DEVELOPMENTS

As a roadmap of our strategic investment and diversification, the Group has made its maiden foray into the CSC business and completed the acquisition of Gold Cold Transport Sdn Bhd ("GCT") in year 2017 and Gold Cold Integrated Logistics Sdn Bhd ("GCIL") in year 2018. In order to take our performance up to the next level, we continue to undertake activities focusing on strengthening the CSC business, including partnership with JOIN, a government-private sector-sponsored fund in Japan specialising in overseas infrastructure investments. In the FYE 31 March 2020, the CSC contributed an increase in revenue of RM18.5 million (18.7 per cent) y-o-y to the Group, from RM99.0 million to RM117.5 million. However, CSC registered a decrease in PBT of RM8.1 million (62.4 per cent), which was due to internal business reorganisation whereby loss-making CRL was transferred to CSC from warehousing business. Moving forward, we plan to turnaround our CRL business and among the expansion plans will be the setting up of a distribution centre in the southern region for one of our major CRL customer which will be set up in Johor in year 2021.

We had on 10 May 2019 announced that our Group's subsidiaries, Gold Cold Solutions Sdn Bhd ("GCSSB") and Titian Pelangi Sdn Bhd ("TPSB"), had entered into a sale and purchase agreement ("SPA") with Hai San Holdings Sdn Bhd (in liquidation) and Hai San & Sons Sdn Bhd (in liquidation) for the proposed acquisition of seven (7) parcels of leasehold industrial land and buildings located at Port Klang (the "Said Land") which contained both cold and ambient warehousing facilities for a total cash consideration of RM25.8 million. Further to the above, the Company had on 10 July 2020 announced that GCSSB and TPSB had entered into a Supplemental Agreement to the SPA with the same parties and completed the acquisition of three (3) parcels of the Said Land on 19 June 2020. The SPA for the remaining four (4) parcels of the Said Land is expected to be completed in the second half of 2020.

With so much progress thus far, the Group is always mindful that it is imperative that we deploy our business strategies prudently and ensure stability and synergies in our current operations.

RECOGNISED FOR UPHOLDING EXCELLENCE

We remain committed to upholding excellence in all that we do and continue to garner recognition on several fronts since our last Annual Report. I am delighted to announce that Roland Manufacturing Malaysia Sdn Bhd has granted TASCO a Performance Award in appreciation on our excellent services in supporting them. The Edge Centurion Club applauded us as the company with the Highest Returns to Shareholders over Three Years in Transportation & Logistics Category. Recognition also came from our Yusen SAO, which acknowledged our achievement on outstanding Business Development budget commitment.

RESPONSIBLE CORPORATE PRACTICES

To ensure sustainable long-term growth of our business, the Board of Directors remains committed to upholding and implementing strong standards of corporate governance as well as robust risk management and internal control measures. These fundamental components of our business are helping to strengthen investor confidence, safeguarding our corporate reputation and ensuring continued shareholder value creation.

The 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 Sustainability Statement on pages 25 to 34 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.

MOVING FORWARD INTO FY2021

Looking into the new financial year 2021, we recognise the unprecedented challenges posed by the COVID-19 pandemic. In this daunting scenario, the economic situation may seem grim especially for companies based in industries which are badly impacted by the pandemic such as hospitality-related industries. Fortunately for our Group, logistics service has been classified as an essential service, and we are also fortunate that our core customers are based in F&B and electrical and electronic-related industries. We also noted that since the relaxation of the MCO, our logistics business has picked up significantly to pre-pandemic levels as our customers re-started their operations and backlogs and pent-up demands are being fulfilled. Hence, we are still cautiously confident of our financial performance resilience, going into the new financial year. Nevertheless, in view of the extreme uncertainties posed by the pandemic, it is challenging to provide a definitive forecast of how things will play out as we move forward.

We remain firmly focused on our strategy to optimise high standard of customer service with innovative logistics solutions to ensure that our business and investments continue to flow in these trying times. TASCO remain unwavering in our commitment and resolute in our determination to effectively work towards mitigating the health and economic impact caused by COVID-19.

IN APPRECIATION

On behalf of the Board of Directors, I would like to thank the management team and all employees for their continuous commitment and invaluable contribution to the Group, all of which have been pivotal in the Group's achievements. We are also blessed to have a very engaging Board, whose members are generous with their insights and sound advice that have greatly benefited the Group as a whole. I am confident that with a talented team in place coupled by strong governance, unwavering passion and total commitment, the Group will continue to deliver excellence and pursue new breakthroughs in building sustainable value for all stakeholders.

In addition to the above, I would like to extend my special gratitude to Mr Freddie Lim Jew Kiat, who has relinquished his position as the Group Chief Executive Officer ("CEO") of TASCO on 1 April 2020. On the same day, he began to shoulder the position of Group CEO of our subsidiary, TASCO Yusen Gold Cold Sdn Bhd. I sincerely value the knowledge shared by him, and every opportunity seized by him in helping TASCO sailed through all the challenges and achieve the heights. His dedication is imperative for the growth of the Group.

Please also join me in welcoming our new Group CEO, Mr Andy Lee Wan Kai who was promoted on 1 April 2020. I believe the wealth of knowledge and experience of Mr Andy Lee will certainly scale TASCO to a greater height.

Last but not least, I would like to thank all our valued shareholders, regulatory authorities, customers, vendors, business partners and all our other stakeholders as they remain steadfast as the driving force behind the Group's achievements. On behalf of the Group, I would like to extend our deepest appreciation to our frontliners for their dedications and sacrifices in the battle against COVID-19.

Lee Check Poh
Executive Chairman
14 August 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The year in review saw the TASCO Group building upon the good momentum gained from the strategic moves it had undertaken previously to deliver a resilient performance. TASCO's good progress on the cold chain logistics and convenience retail logistics fronts in particular underscore the effectiveness of its business strategies and are propelling the Group closer towards its goal of long-term, sustainable growth.

Dear Valued Stakeholders,

Over the course of the financial year ended ("FYE") 31 March 2020, TASCO Berhad ("TASCO" or "the Group") turned in a resilient performance despite a highly challenging operating environment. Building upon the strategic moves undertaken previously to strengthen our performance for the long-term, we continued to make good progress by way of our cold chain and convenience retail logistics offerings. Today, we continue to leverage on our strategic tie-up with JOIN, one of Japan's leading strategic investment funds, to strengthen our reservoir of knowledge and capabilities so that we can launch out when the opportunity arises. All these developments continue to accord us a steady momentum and move us progressively closer towards realising our goal of sustainable long-term growth. It is my privilege to present the finer details of the financial and operational performance of the TASCO Group for FYE 31 March 2020.

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 ("NYK"). Under the Group's umbrella, we have 24 logistics centres and approximately 2,200 employees in Malaysia. Through links with Yusen's global logistics network, we also have access to Yusen's more than 60,000 employees in 594 locations worldwide. Our integrated logistics solutions offering today covers warehouses as well as air, sea and land transportation. On top of this, we serve as a one-stop logistics hub for customers' domestic and international shipment needs. With the addition of cold chain as well as trading and convenience retail logistics capabilities to our offerings, the Group possesses a strong competitive edge over other logistics players. This holistic logistics capability has also helped cement the Group's leading position in the marketplace.

Today, the Group's business segments are divided into the International Business Solutions ("IBS") and Domestic Business Solutions ("DBS") categories. Our IBS segment covers the Air Freight Forwarding division (offering air freight services), and the Ocean Freight Forwarding division (covering sea freight and buyer consolidation services). Meanwhile, the Group's DBS segment encompasses the Cold Supply Chain Logistics division, the Contract Logistics division (covering customs clearance, haulage transportation, warehousing and warehouse in-plant services), as well as the Trucking division (offering domestic trucking and cross-border trucking services).

OUR STRATEGIES FOR GROWTH

The TASCO Group has made good progress these last few years having diversified beyond our traditional core business of factory logistics and Japanese-based customers to set up new businesses aimed at securing the Group's long-term performance.

Strengthening Our Cold Chain Logistics Capability

Our venture into the cold chain logistics business via our acquisitions of two proven domestic cold chain players, continues to hold us in good stead. Today, we are able to offer customers an all-inclusive, one-stop solution to meet their end-to-end cold chain logistics supply requirements. Via our total cold room storage capacity of 37,000 pallets and over 170 refrigerator trucks, TASCO is firmly entrenched as one of the biggest cold chain players in the market. This coupled with the fact that the margins in the cold chain logistics business are healthier than typical margins in the general logistics business, bode well for the Group's long-term prospects.

TASCO's cold chain logistics operations are helmed by TASCO Yusen Gold Cold Sdn Bhd ("TYGC"). While the Group is relatively new in the cold chain segment, we have quickly become one of the market leaders via our acquisitions of proven cold chain players. While the investment has been huge, the Group has the financial capability to do this. We continue to make steady progress in this segment with plenty of room to grow.

Our cold chain business currently contributes some 16% of the Group's total revenue and we anticipate steady growth and revenue streams from this segment for the long-term. To date, we have built a track record serving diverse major customers that comprise manufacturers of foods and ice cream and quick service restaurants, as well as chilled fresh foods vendors involved in producing ready-to-eat ("RTE") and ready-to-cook ("RTC") foods.

Today, TYGC is focusing its efforts on expanding its footprint and growing its market share by exploring new tenders on the convenience retail front with several players. As we strengthen our offering and streamline our operations, we expect steady and extended contracts from our existing and new customers.

Over the course of the previous financial year, we embarked on a key initiative to augment the capability of our cold chain logistics operations. This was the strategic tie-up with the Japan Infrastructure Investment Corporation for Transport & Urban Development ("JOIN", a government-private sector-sponsored fund in Japan that specialises in overseas infrastructure investment).

Today, we are making good progress with regard to the strategic tie-up with JOIN which opens up new areas of opportunity for us not only domestically but on a regional level. The whole JOIN user network is working in a very interactive manner with much sharing of information and expertise underway while the transaction itself (which was completed in June 2019) has provided us significant cash flow – some RM125 million to be exact – which in terms of cash holdings, is an all-time high for TASCO. Part of these proceeds have gone towards repaying loans to reduce our gearing while the rest is being be used to facilitate our operations and expansion plans.

Leveraging on Increasing Demand for Dry and Cold Food Retail Logistics Services

Today, demand for food retail logistics services is being driven by increasing urbanisation as well as consumers with greater spending power who are living longer. They want quality goods and services as well as a more conducive and accessible retail environment. This has brought about the advent of more efficient and modern convenience food retail store networks that are catering to consumers' demand for quick, one-stop shopping in a convenient location with extended operating hours and a variety of products to choose from.

As neighbourhood convenience retail stores, petrol kiosks and F&B outlets, among numerous other businesses, move forward to capitalise on this trend, TASCO too is making the most of this opportunity. Our customer base has grown from strength to strength and today encompasses petrol kiosks, convenience stores, local independent supermarkets, hypermarkets and pharmacies. We essentially cover the full spectrum of categories except for the smaller traders or the mom and pop stores.

Moving forward, TASCO has plans to further expand its footprint into the Southern Region of Peninsular Malaysia by early 2021. Plans are in the offing for TASCO to embrace automation within our operations, particularly on the retail front, in a more significant manner. We are looking to implement state-of-the-art conveyance and sorter systems at our extended premises in Johor. This will go a long way in helping expand and strengthen the operations of one of our food retail customers.

We are also looking to expand into the Northern Region which will complete our food retail logistics storage and state-of-the-art sorting operations and accord us the ability to serve all of Peninsular Malaysia. This move is also expected to benefit the cold chain businesses under TYGC. With more retail players joining the bandwagon and recognising the advantages of leveraging on our unique offering, we anticipate that volume and ultimately profits for this business segment will remain resilient.

In tandem with our focus on dry and cold food retail logistics solutions, we ventured into the food retail trading business back in FYE 31 March 2018 through our partnership with Yee Lee Trading Co. Sdn Bhd, a wholly-owned subsidiary of Yee Lee Corporation Berhad. The last few years have seen our joint venture company, YLTC Sdn Bhd ("YLTC"), make strong inroads into the petrol kiosks food retail market and reinforcing its footing as a significant player in this segment.

YLTC's novel offer of a single point of contact to dealers or owners of convenience retail outlets is enabling it to seamlessly order, replenish, deliver and store stock at these outlets. As a representative of these buyers, YLTC is in a good position to negotiate with suppliers of different goods to supply in-shop items while simultaneously providing inventory management, warehousing and logistics services to the outlets.

TASCO is reaping the benefits of this joint venture via our provision of contract logistics services (both dry and cold chain warehouse spaces as well as trucking) to YLTC on an arm's length basis. We are also in a position to provide our customers regional coverage given our full range of end-to-end solutions and our international network. Our capabilities in this arena is what differentiates us and continues to give us an edge over our competitors.

Ongoing Diversification into New Areas of Opportunity

Today, we continue to renew existing contracts as well as secure new ones with customers of all sizes, especially the MNCs. Our efforts to attract large MNC customers have been fruitful simply because they have been impressed by our connection to the very strong Yusen global logistics network as well as our offer of consistently high standards and quality services. These MNCs are also attracted 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.

We also continue to capitalise on opportunities in the e-commerce segment. According to Frost & Sullivan, global online retail sales are forecast to touch USD4.3 trillion by 2025 accounting for 19% of total retail globally. E-commerce has also received an unexpected boost from the COVID-19 pandemic and widespread global lockdowns with all levels of society now tapping e-commerce to buy and sell. In line with the anticipated exponential growth of e-commerce, we envisage that demand for larger and smarter warehouses as well as for logistics centres to fulfil the entire supply chain's requirements will take off.

Malaysia is playing its part in facilitating the growth of e-commerce growth and cross-border trade via initiatives such as the Digital Free Trade Zone ("DFTZ"). TASCO's plan is leverage on the DFTZ and Westport as regional hubs to serve our customers' regional needs, particularly their growing e-commerce needs. While Business-to-Business ("B2B") and Business-to-Consumer ("B2C") transactions are commonplace, we are seeing the progression of B2B2C transactions as the new area of opportunity. The goal of B2B2C is to create a mutually beneficial relationship between suppliers of goods and services and online retailers.

There is an obvious synergy between our current business pillars and e-commerce opportunities and we intend to capitalise on the anticipated demand for logistics-related services and facilities. Through our e-Tower fulfilment solutions offering, we are able to provide our customers coverage of major e-marketplaces and web stores around the world as well as integration support with their own sites. By leveraging our integrated solutions encompassing order fulfilment, warehousing and e-marketplace management, customers can conduct multi-channel retailing activities in a proficient manner.

Aside from tapping Yusen's e-commerce platform that will help both our customers and the Group push its products to market, we are also seeking partners to explore opportunities in the B2B2C arena. Another area we are looking into is the last mile business for the cold chain segment by way of special services for specific customers. We will need to study this carefully as there are many last mile players in the overall market.

Continuing to Align with the Yusen Group's Roadmap

In line with our long-term plans, we continue take a page from "Transform 2025", the Yusen Group's shared vision and strategy for the future, which serves as both a reference point and guide for Yusen's diverse businesses. In setting out the guiding principles for how the businesses within the Yusen Group are to conduct business with one another and with their customers, the 2025 roadmap serves to ensure that Yusen's business strategy is demonstrated within the priorities of each region, business unit, operating company, office and employee.

As we follow the lead of the Yusen Group, we are focusing our expansion in segments that will help sustain us for the long-term as well as enable us to deliver the best services to all our customers. Recently, the Yusen Group established a new business division called Supply Chain Solutions ("SCS") which is tasked with developing strategic global supply chain solutions through technology and innovation to create sustainable business value. Via Yusen's SCS offering, be it its lead logistics or fourth-party logistics (LLP or 4PL) solutions, order management and control tower solutions, or IT solutions, customers can avail themselves of solutions at any stage of the logistics supply chain (from procurement to delivery). All in all, Yusen offers a very advanced system in terms of tracking of all connection points, from the start of the journey to the last mile.

Following the transfer of one of the NYK Group's cold chain operations in Japan to Yusen, the latter is now a food retail logistics provider in Thailand. Yusen is going into the cold chain business in an aggressive manner and has taken the opportunity to get three countries, namely Japan, Thailand and Malaysia working together in this area. Yusen will also be looking to extend its operations and offerings throughout the South Asian Ocean Region ("SAOR").

Currently TASCO's TYGC is the only local cold-chain logistics company with the capability to tap its own international network. Being the only company that has a cold chain capability at an international level, this means that we can readily meet customers' cold chain needs on an international basis. Today, with an on-the- ground capability, we are ready to run with things at a moment's notice.

OUR FINANCIAL PERFORMANCE

Group and Segmental Revenue

I am pleased to report that despite a highly challenging operating environment, TASCO delivered a resilient performance for the financial year under review. For FYE 31 March 2020, the Group posted a RM10.6 million or marginal 1.4 per cent year-on-year ("y-o-y") increase in revenue to RM747.4 million from RM736.8 million previously. Revenue from the Domestic Business Solutions ("DBS") segment remained firm growing by RM18.3 million (3.7 per cent) to RM508.2 million from RM490.0 million previously. Meanwhile, revenue from the International Business Solutions ("IBS") segment declined by RM7.6 million (3.1 per cent) to RM239.2 million from RM246.8 million in the preceding year.

Within the DBS segment, revenue strengthened mainly on the back of stronger results from the Cold Supply Chain ("CSC") division. The CSC division registered a robust RM18.5 million (18.7 per cent) y-o-y increase to RM117.5 million from RM99.0 million. We are especially pleased with the good performance of the CSC division which underscores the fact that our strategy of diversifying into the cold chain business continues to bear fruit.

Meanwhile revenue for the Contract Logistics ("CL") division rose marginally by RM1.3 million (0.4 per cent) y-o-y to RM311.0 million from RM309.7 million previously. Within the CL division, the haulage business proved to be the largest revenue contributor registering a RM16.6 million (36.7 per cent) y-o-y increase to RM61.9 million from RM45.3 million. This increase was mainly attributable to revenue contributions from container deliveries especially for E&E, musical instrument as well as wood and paper product customers. The higher revenue also stemmed from new customs clearance customers whereby the revenue from outsourced haulage activities for these customers was reclassified as haulage revenue. This reclassification in part led to the customs clearance business posting lower revenue y-o-y. On top of this, reduced shipments relating to E&E customers and the project cargo business, as well as the cessation of business with an energy manufacturer, caused revenue from the customs clearance business to decrease by RM4.3 million (3.8 per cent) y-o-y.

Although a FMCG customer was secured in the Southern Region, a drop in volume for E&E and semiconductor customers, as well as the transfer of the warehousing business of a convenience retail customer (effective April 2019) to the CSC division, affected the revenue of the warehouse business. This saw revenue for the warehouse business declining by RM10.0 million (7.9 per cent) y-o-y to RM116.1 million from RM126.1 million. Over the same period, revenue for the in-plant business dropped by RM1.0 million (4.0 per cent) mainly as a result of a drop in the production volume of E&E customers.

Within the Trucking division, a drop in deliveries for E&E, cigarettes & tobacco as well as automotive parts customers resulted in a RM1.6 million (2.0 per cent) y-o-y drop in revenue to RM79.7 million from RM81.3 million.

Within the IBS segment, export shipment contributions from solar panel and aerospace customers as well as newly-secured medical devices, healthcare and paper product customers, lifted the revenue of the Ocean Freight Forwarding ("OFF") division by RM21.7 million (29.4 per cent) y-o-y to RM95.5 million from RM73.8 million.

However, this was offset by a RM29.3 million (17.0 per cent) y-o-y revenue drop in the Air Freight Forwarding ("AFF") business to RM143.7 million from RM173.0 million previously. This decline was mainly attributable to the significant drop in shipments and revenue from capacitor, E&E and chemical customers, as well as a reduction in shipments for an aerospace customer due to a switch in their shipment arrangements from air mode to sea mode.

Group and Segmental Profits

The financial year in review saw the Group's profit from operations rising by RM1.8 million (4.9 per cent) y-o-y to RM39.2 million from RM37.4 million. Consequently, TASCO's profit before taxation ("PBT") increased by RM1.9 million (10.4 per cent) y-o-y to RM20.6 million from RM18.7 million. However, the Group's profit after tax for FYE 31 March 2020 declined by RM3.5 million (26.0 per cent) y-o-y to RM9.9 million from RM13.4 million. This was the result of a higher tax expenses resulting from the under-provision of corporate tax expense by RM2.9 million in respect of the previous financial year.

The DBS segment registered a RM0.3 million (1.1 per cent) y-o-y decrease in PBT to RM27.8 million from RM28.1 million. Within the DBS segment, the CL division posted a stellar RM11.1 million (70.6 per cent) hike in PBT to RM26.9 million from RM15.8 million. Within the CL division, the PBT of the warehouse and haulage businesses rose by RM17.6 million and RM0.4 million respectively, whereas the PBT of the customs clearance and in-plant businesses reduced by RM5.3 million and 1.6 million respectively. Meanwhile, the PBT for the CL division was largely offset by the reduction in PBT from the CSC and Trucking divisions.

The CSC division recorded a RM8.1 million (62.4 per cent) decrease in PBT, while higher fixed operating expenses weighed on the PBT of the Trucking division which led to a significant reduction in its PBT by RM3.3 million (531.7 per cent). The lower profit was mainly due to lower gross margins as a result of a more competitive environment especially in the Trucking and AFF sectors. Lower profit on the CSC front was due to an internal reorganisation whereby a loss-making convenience retail business was transferred to the CSC business from the warehousing business.

With regard to the IBS segment, its PBT increased RM0.5 million (7.1 per cent) y-o-y to RM7.1 million from RM6.7 million. Within the IBS segment, the OFF business posted an increase in PBT of RM5.2 million (146.5 per cent) from a loss of RM3.5 million to turn in a PBT of RM1.6 million. This was underpinned by a revenue hike in the OFF business due to the aforementioned reasons. However, this rise was offset by a PBT reduction from the AFF business on the back of a drop in revenue. In tandem with this, PBT for the AFF division declined by RM4.7 million (46.2 per cent) to RM5.5 million from RM10.2 million.

Apart from the PBT of the operating business segments, an increase in non-operating income from the support (or non-business) segment, largely from interest received and foreign currency exchange, also contributed a RM1.8 million increase to the overall PBT of TASCO.

Gearing and Liquidity

Upon the completion of JOIN's strategic investment in TYGC in June 2019, our gross gearing dropped to 0.7 times as at FYE 31 March 2020 (FYE 31 March 2019: 1.0 times). Our financial position remains secure given our strong balance sheet. As at FYE 31 March 2020, we had in hand cash and cash equivalents amounting to some RM191.8 million (FYE 31 March 2019: RM77.2 million).

While TASCO 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 the Group's new cold chain ventures and contract logistics business.

BUSINESS RISKS AND MITIGATION MEASURES

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

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of **Operational Risk**, we continue to implement the necessary precautions to reduce the potential hazards that logistics players typically face. In line with efforts to diminish the loss of assets or customer cargo due to fire, we continue to proactively undertake proper fire safety inspections at regular intervals and enforce the 'strictly no smoking rule' at all our warehouses. We also ensure that all flammable cargo and materials are placed at designated areas and that fire extinguishers are situated at the proper designated areas. Our warehouse and safety teams are responsible for ensuring proper and acceptable maintenance of our firefighting systems and equipment, while all our warehouse operators are required to undergo mandatory firefighting training. On top of these practices, our normal standard trading terms exclude TASCO's liability in the event of any loss or damage to our customers' cargoes due to fire.

As for **Market/Business Risk**, we have implemented measures to mitigate the probability of a loss of major customers/ key accounts, or the potential of an account producing losses. To moderate 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 foster customer loyalty. Moreover, the director who oversees customer development is responsible for providing progress reports on customers from time to time. The Group's business plan mandates that we diversify our customer base so that we are not totally reliant on any one customer, industry or sector. To lessen the risk of a loss-producing account, we work with our customers to revisit the terms, conditions, validity and rates, while taking the necessary measures to manage costs. To this end, the division head is assigned to follow up and report on the progress of any such account.

Financial Risk at TASCO involves 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 taking measures to safeguard ourselves from this by centralising our cash management for better control at our Head Office. We also make sure that all our business units have optimum levels of liquidity at all times which are sufficient for our operating, investing and financing activities. The Group has also implemented 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. In view of the nature of the Group's business, we ensure sufficient credit lines are in place to meet our liquidity requirements while ensuring effective working capital management measures are made available throughout the Group.

With regard to **Information/System Risk**, there is the potential of loss of business data from improper data backup management, as well as the possibility that our servers may crash due to viruses or potential cyber-attacks on our IT system. To reduce the potential of business data loss, we continue to leverage on RAID 5 hard disks and undertake daily backup of our data to tapes which are stored offsite. Simultaneously, we ensure that our production servers are covered by next business day warranties. To ensure our IT system is safe from viruses or hacker threats, we carry out ongoing continuous security assessments and measures that ensure all the operating systems in our network are adequately updated. Apart from these, we proactively ensure that up-to-date anti-virus solutions, high grade firewalls and secure network configurations are all totally in place.

To mitigate the **possibility of potential infections from COVID-19**, we have set in place stringent standard operating procedures ("SOPs") that are in full compliance with the regulations set by the authorities. In fact, at the onset of the MCO, the Group swung into action and set up a MCO Committee and COVID-19 Committee that were mandated with keeping track of operating regulations (which initially kept changing almost on daily basis). The Committees were also tasked with implementing steps to mitigate risks relating to business disruption arising from this pandemic and all issues related to COVID-19. To date, our workforce continues to uphold stringent SOPs which include ensuring proper sanitization, mandatory wearing of masks, practising social distancing, minimising travel and meetings by conducting meetings online, having separate teams with different shifts, as well as conducting daily temperature checks and making health declarations. On top of this, a business continuity plan remains in place. The Group has taken strong actions to control and reduce costs. At present there are no plans to retrench any employees or implement employee pay cuts.

OUTLOOK AND PROSPECTS

The International Monetary Fund ("IMF"), in its June 2020 World Economic Outlook ("WEO") Update report has predicted that global economic recovery will be more gradual than previously expected given that the COVID-19 pandemic has had a more negative impact on global activity in the first half of 2020 than anticipated. The IMF projects that global growth will drop dramatically to -4.9 per cent in 2020, some 1.9 percentage points below its April 2020 WEO forecast of 3.0 per cent. The adverse impact on low-income households will be particularly severe, thus jeopardising the significant progress made in reducing extreme poverty in the world since the 1990s. Global growth, however, is projected to rise to 5.4 per cent in 2021.

Around mid-August, BNM reported that the Malaysian economy had contracted by 17.1 per cent in the second quarter of 2020 (1Q 2020: 0.7 per cent). This decline was a reflection of the unprecedented impact of the stringent containment measures implemented to control the COVID-19 pandemic globally and domestically. With Malaysia's nationwide MCO encompassing diverse measures that restricted production and consumption activities, this led to demand and supply shocks that stemmed not only from significantly weak external demand conditions, but also production constraints in many economic sectors. Moreover, there was a significant decline in tourism activities due to international border closures and restricted interstate travel. On the supply side, most economic sectors registered negative growth, while most expenditure components declined.

Moving forward, the Malaysian economy is expected to recover steadily in the second half of 2020 as the economy progressively reopens and external demand improves. In fact, economic activity has been on the uptrend since the economy reopened in early May 2020. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, as well as electricity generation. This improvement in growth is also expected to be supported by the recovery in global growth and continued domestic policy support. Consumption and investment activities in particular are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest rate environment. With the reopening of economic activities, a concurrent improvement in labour market conditions is expected. Overall, the Malaysian economy is projected to grow within the range of -3.5 per cent to -5.5 per cent in 2020, before staging a rebound within a growth range of 5.5 per cent to 8.0 per cent in 2021.

As for the outlook for the logistics arena, the size of the global logistics market is forecast to grow by over USD357.0 billion by the year 2022 according to pre-pandemic studies by market research company, Technavio. The rise of e-commerce and digital literacy among consumers has undoubtedly led to dramatic changes within the global logistics industry. On top of this, the rise in disposable incomes, dual-income households, and urbanisation across both the developed and emerging economies is driving consumer demand for more effective retail channels. This in turn has led to the rapid development of retail channels requiring efficient inventory management and warehousing solutions to enable customers to make informed purchase decisions. As companies look to retail logistics service providers to help them cater to the customised demands of consumers, the global logistics market is expected to register a compound annual growth rate of over 7 per cent by the end of 2022.

The prospects of the Group are closely tied to the performance of the global and domestic economies, as the logistics industry is dependent on economic activity and international trade. The Group's logistics business model is particularly vulnerable to the factors that affect the movements of domestic and international cargo. Nevertheless, our performance has remained resilient despite the challenging global and domestic economic headwinds in FY2020 even before the COVID-19 pandemic.

At the start of the MCO, while TASCO was also affected by the lockdown, it was not as badly impacted to the extent that certain other companies were affected. In fact, the Group continued to operate its business (within the parameters set by the authorities) as logistics services were classified as an essential service. Over this time, our foray into cold-chain logistics and convenience retail logistics proved fruitful as demand for these services remained strong during the lockdown. Even when clients were not moving their goods, we still benefitted from the income received from them storing their goods at our warehouses.

Now that the country has begun moving into phases of the MCO with lesser restrictions, more and more of our customers have been allowed to restart their operations. With manufacturing picking up, we expect a surge as a backlog of orders needs to be filled. In line with these positive developments, we foresee that demand for our logistics services should pick up in tandem in the second half of 2020. Thus far, we have noted that our logistic business has proven to be resilient despite being in the midst of the COVID-19 pandemic.

The last three years have shown that one of TASCO's growth prospects lie in our cold chain logistics business where we have a clear competitive advantage over other logistics players who are typically focusing on more traditional logistics operations. As such, we will continue to bolster our cold chain business by exploring opportunities to further expand into new territories such as Sabah in East Malaysia for a start. We will also tap the areas of mutual cooperation and the advantages that will come from our venture with JOIN.

Downside risks for the Group for the next financial year will stem from the unknown economic ramifications of the COVID-19 pandemic (including the possibility of second wave) as well as the need to keep our operational costs under control during this period of uncertainty. As such, our focus going forward will be on consolidating our operations to reduce costs, optimising our manpower and enhancing the quality of our services.

Moving forward, TASCO is intent on maintaining its 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. Our team remains committed to doing things better and in a more efficient and cost-effective manner.

As TASCO strides forward amidst a highly competitive playing field to make the most of existing business and new opportunities, whilst undertaking the necessary precautions, we will continue to enhance our game so that we remain relevant to the market and are able to strengthen our position among our target audiences. We are committed to remaining agile and adaptable to the fast-evolving global landscape and new market realities. To ensure our customers have access to all our services we will leverage on our strategy of offering one seamless window to our customers. As we work hard to understand our customers' expectations, meet their needs for timely and safe delivery, and delight them in innovative ways, we are confident of reinforcing our position as a key logistics player and delivering good shareholder value.

Andy Lee Wan Kai
Group Chief Executive Officer
14 August 2020

OUR RESPONSE TO THE COVID-19 PANDEMIC

The World Health Organisation ("WHO") had on 11 March 2020, declared the COVID-19 outbreak as a pandemic. On 16 March 2020, the Malaysian Government announced the implementation of the Movement Control Order ("MCO") with effect from 18 March 2020. This was later relaxed to Conditional MCO ("CMCO") starting 4 May 2020, and further relaxed to Recovery MCO ("RMCO") which is scheduled from 9 June 2020 to 31 August 2020. We are grateful that TASCO was still operating during MCO period as logistics services falls under essential service. We are committed to implement elevated safety standard operating procedures ("SOP") to grapple with the threat of COVID-19.

The Executive Committee of TASCO had on 18 March 2020 approved the formation of MCO Committee and COVID-19 Committee to address the following issues:-

(1) to serve as a single window to communicate with staff, customers, suppliers, authorities and Yusen Group of Companies;
(2) to carry out best practices to mitigate related risks including planning, implementation, auditing and improvement of practices;
(3) to build business continuity plan in case adverse situation occurred; and
(4) to assist customers to resolve their supply chain constraint with the constant changing regulations.

MCO COMMITTEE AND COVID-19 COMMITTEE

Committee Sponsor

Committee Executive

Committee Director

Committee Leader

Committee Member
Head of Security Department

Committee Member
Head of Human Resource Department

Committee Member
Head of Admin Department

The Committees are responsible to implement the SOP, dissemination of information and ensure the compliance of the SOP in all our logistics centres across the country. Warehouses and logistics centres are required to submit compliance reports regularly to the Committees for review. Announcements and updates from authorities were tabled for discussion to determine the next cause of action. Hotlines and email addresses specifically to deal with the matters of Covid-19 have also been set up.

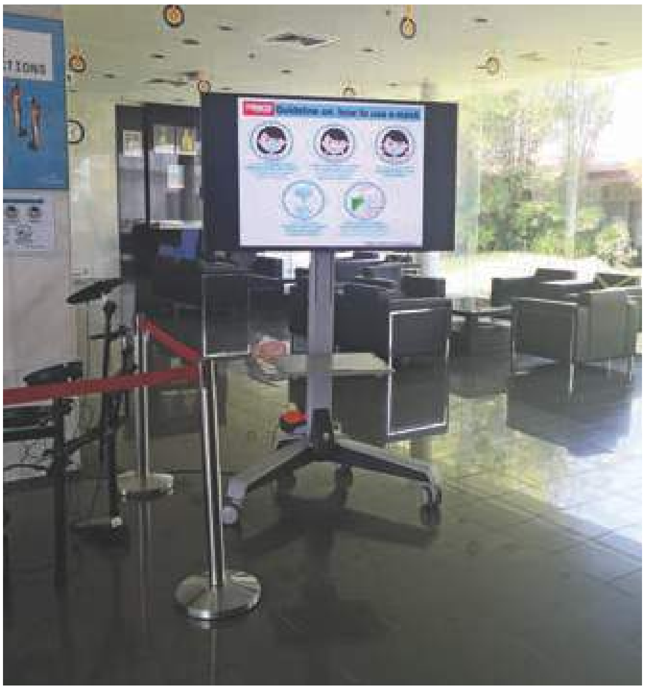
The Committees also served as a channel to disseminate the latest and most accurate information as well as the best and most practical solutions to our customers and business associates. Our sales team personnel worked closely with the customers to exchange information and we have ensured that our customers are being served safely in line with our SOP.

OUR RESPONSE TO THE COVID-19 PANDEMIC

The wellbeing of our employees, business partners and communities remained top priority to us. All the employees are required to follow strict SOP while at our premises. They must undergo mandatory temperature checks, mandatory wearing of mask, hand sanitisation, maintaining good hygiene as well as practice strict social distancing while in our premises. Adequate masks and hand sanitiser are provided to all the employees on daily basis.

During the MCO, we arranged new working schedules for our employees whereby we implemented alternate working days and also double-shift work (whereby there is a half-hour break in-between the shifts to prevent any interaction between the workers from the first shift and the second shift). This is to comply with the safety requirements set by Ministry of International Trade and Industry ("MITI") that only up to 50% of our employees is allowed to work at the respective premises and the rest shall work from home. Operations in all the facilities have been modified to comply with the guidelines and SOP set by MITI. While the Group has taken strong actions to control and reduce costs, there are at present no plans to retrench any employee or implement employee pay cuts.

The country has moved into the CMCO and RMCO periods and many of our customers have been allowed to restart their operations. The demand for our logistics services has gradually picked up and our operations have resumed to full-force. However, we would assure that we will continue to remain alert and adhere to the SOP in the new normal.



WHAT HAVE WE ACHIEVED SO FAR?

We've come a long way since TRANSFORM 2025 was first implemented way back in 2017. Four (4) years have passed, and we still have five (5) to go. How far have we come, and where are we heading? Below shows how TRANSFORM 2025 has shaped our daily working lives, the company, and the services we provide our customers.

01

Our Brand Promise

Our brand promise is to create better connections, and we deliver that by embodying our core values: connected, creative, and committed

02

Implemented Connected Colleague Survey

Company-wide staff survey has been launched. The staff will have the chance to tell the Company how it has been done.

03

Standardised Global Performance and Development Review ("PDR")

A unified approach to personnel development helps the employee to plan their future and helps the Company to understand how to help the employee to grow in the Company.

04

Created and Implemented Customer Surveys

Listen to customers to understand what they thought of our brand and service, and asked them what they want to see from us in the future.

05

Developed Customer Relationship Management ("CRM")

Implementing a consistent sales process will lead to a consistent quality customer experience for all customers and linking this to a CRM tool, we are able to use this data to generate insight for the benefit of the customer.

06

Created Quality and Performance Improvement ("QPI") group

Our commitment to quality is second to none, and we now have a team to manage, monitor, and improve our performance.

07

Established Supply Chain Solutions ("SCS") Group

With SCS added to our business which enable us to deliver cross-business, customer-focused solutions and reinforces each of our current business units.

ABOUT THIS SUSTAINABILITY STATEMENT

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

The reporting period for this Sustainability Statement is from 1 April 2019 to 31 March 2020. It covers TASCO Berhad's sustainability initiatives and practices, community engagement and activities.

SCOPE

This Sustainability Statement covers the operations of the Group in Malaysia, including 24 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.

STAKEHOLDERS 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:

Stakeholders	Area of Focus	Platforms and Tools Utilised
Shareholders / Investors Bankers / Media and Analyst	• Business directions • Business performance • Corporate development • Prospect and Strategies • Business risks • Return on Investment	• Bursa announcements • Corporate website • Press conferences and media releases • Annual General Meeting / Extraordinary General Meeting • Quarterly Results • Periodic engagements with equity analysts and fund managers
Government / Regulators	• Regulation and compliance • Accuracy, transparency and disclosure	• Reports and policies • Corporate website • Site visits
Business Partners	• Business direction • Knowledge sharing • Safety procedures	• Meetings, briefings and workshops • Participation in exhibitions
Customers	• Business direction • Knowledge sharing • Service culture	• Meetings • Customer support centre • Customers surveys
Employees	• Career development • Welfare and benefits • Working environment • Training • Job performance evaluation • Employment equality	• Regular communications via email blasts, newsletter and memo • Performance management system • Training programme and briefings • Employee activities and events • Internal surveys • Written policies and procedures

Stakeholders	Area of Focus	Platforms and Tools Utilised
Local Communities	• Business opportunity • Employment support • Education and social assistance • Social responsibility	• Engagement events and activities • Education and development programmes

The Company values the feedbacks from stakeholders, and thus all the departments continuously 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 stay updated with the issues and concerns of stakeholders.

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.

The Group's Sustainability Statement 2020 remained its focuses on six (6) areas, defined as:-

COMPLIANCE & GOVERNANCE	QUALITY
HUMAN RIGHTS	SAFETY & HEALTH
ENVIRONMENT	COMMUNITY

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 2017, 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. To ensure our employees are aware of the Code of Conduct, our Group organises trainings on a periodic basis. In the financial year 2020, 33 employees have attended the training organised by the Company and 34 employees attended the e-learning programme organised by YLK.

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.

In order to ensure our employees are fully aware of antitrust laws, our Group organises trainings on Antitrust Compliance on a periodic basis. The details of the Antitrust Compliance training are as follows:-

Financial Year 2019			Financial Year 2020		
Region	Month & Year	No. of Employees	Region	Month & Year	No. of Employees
Central Region	August 2018	195	Central Region	July 2019 February 2020	33 100

Besides our own training, YLK also provided online e-learning antitrust training, a total of 34 employees of the Group underwent this training in the financial year 2020.

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.

Our Group organises trainings on a periodic basis to ensure our employees are fully aware of anti-bribery laws. In the financial year under review, 47 employees attended training organised by the Company and 34 employees attended the e-learning programme organised by YLK.

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 and 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 9001:2015.

ii. Berjaya Industrial Logistics Centre was accredited ISO 14001:2015 and Food Safety System Certification ISO 22000.

iii. West Port 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").

v. Batu Maung Warehouse is certified TAPA FSR (Facility 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 West Port 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 2020	
11 May	The Company was awarded SAO BD Awards of the Year 2019 in recognition of our outstanding BD budget commitment
Year 2019	
15 March	Top Cargo Sales Award 2018 from Eva Air
8 April	TASCO Yusen Gold Cold Sdn Bhd earned the 2019 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan
12 April	A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASkargo through sales achievement in 2018
26 April	Top Agents Award from Korean Air Cargo
26 June	Top Agency Sales Award FY2018/2019 from Singapore Airlines Cargo
12 November	Highest Returns to Shareholders over the Three Years (Transportation & Logistics Category) by the Edge Centurion Club
22 November	Performance Award from Roland Manufacturing Malaysia Sdn Bhd
Year 2018	
20 January	"The Best Partnering Company Award" from the Association of Malaysian Hauliers
10 April	TASCO Yusen Gold Cold Sdn Bhd earned the 2018 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan
20 April	A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASkargo through sales achievement in 2017

Year 2018	
8 August	Special Award for Long Term Partnership Award from Huawei
7 December	Business Partner Appreciation Award from Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd
19 December	Top Cargo Sales Agent 2017/2018 by Thai Airways
Year 2017	
17 June	2016 Malaysia Domestic Logistics Service Provider of the Year from Frost & Sullivan
10 July	Top Customer Appreciation Award 2016 from Air France – KLM
14 July	"Special Recognition of Contribution to SONY operations in Malaysia" from SONY Asia Pacific Regional Logistics Office
12 December	Yusen Logistics Co., Ltd (YLK) 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 centre inside the free commercial zone in Kuala Lumpur Airport exclusively for Renesas.
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

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 extend 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
Recent Trends in Debt Recovery Proceedings: What Creditors Should Watch Out For	April 2019	1
Custom Clearance Training	April 2019	15
Introduction to VB Net Comsystem	April 2019	1
PPG DG Cargo SOP & PPE Training	June 2019	12
Other Government Agency (OGA) Training	July 2019	5
Email Etiquette Training (Southern & Northern)	July 2019 January 2020	53 24
MICROSOFT Excel (Intermediate)	July 2019	42
Custom Relationship Management Training (Northern & Central)	August 2019 November 2019	20 9
MICROSOFT Excel (Advance)	August 2019	36
O365 Promotion Training	September 2019	61 30
Seminar Keperluan Pengeksportan Makanan 2019	September 2019	1
Jom Guna Levi Seminar	September 2019	1

Type of Training	Month & Year	No. of Employee
SST Seminar Tax What's New by Royal Malaysian Customs Selangor	October 2019	2
Seminar on Malaysian Standards : (MS) 2626:2016 – Product Safety and Recall-Guidance in the Supply Chain	October 2019	1
11th Mazars Tax Seminar on the 2020 Malaysian Budget Proposal	October 2019	1
Workshop on Corporate Liability Provision (Section 17A) of the MACC Act	November 2019	2
Custom Clearance Training	November 2019	30
Air Freight Skills Training	November 2019	1
2 Days Seminar on Authorised Economic Operator (AEO), Bonded Warehouse and Licensed Manufacturing Warehouse (LMW)	November 2019	1
The Companies Act 2016 : Company Secretarial Practice Part 6	December 2019	1
Customs Training Introducing Authorised Economic Operator (AEO)	December 2019	23
Developing ASP Net Core MVC Web Application	December 2019	2
Effective Sales Presentation Training	January 2020	11
Register of Charges – Creation, Variation, Release and Satisfaction	February 2020	1
Train the Trainer Training	February 2020	9
MICROSOFT Word (Intermediate)	February 2020	16
Violations of the Companies Act 2016 : Oversights by Directors and Secretaries (Part 1)	February 2020	3
MICROSOFT Power Points (Basic/Intermediate)	March 2020	10

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.

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 Group is committed to Safety, Health and Environment excellence to all employees, customers, contractors and public in all its business activities wherever it operates.

To achieve the above, the Group shall:-

- Take appropriate practicable measures to prevent and eliminate the risk of injuries, occupational illness and damage to properties.
- Take proactive steps towards conservation of the environment.
- Ensure commitments from all employees and all levels of management.
- Provide the necessary resources and organisation, and where appropriate, engage with key stakeholders on relevant Safety, Health and Environment matters.
- Ensure that appropriate contingency measures are in place to deal with emergencies.
- Furnish necessary information, training and support and provide a healthy and safe working environment.
- Comply with relevant Safety, Health and Environment legislations and others requirements.

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. On 3 September 2019, our Regional Head Quarter launched a Safety Champaign with the title – “Safety First – Separation of Persons and Forklifts”. A series of safety trainings programme were conducted at branches and warehouses aimed at creating awareness and to promote safety among the employees and the customers. For the financial year under review, more focus has been put on safety in forklift operation.

The following includes some of the activities that have been carried out:

a) Occupational Safety and Health

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
Dangerous Goods Regulations – Refresher	April 2019 July 2019 August 2019 October 2019	1 1 1 1
First Aid Training	August 2019	20
Fire Safety Awareness Talk	September 2019 October 2019	41 13
Kursus Pengenalan Pertolongan Cemas & CPR	November 2019	21

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 are as follows:-

Type of Training	Month & Year	No. of Employee
Driver Defensive, Safety & Eco Training	April 2019 July 2019 December 2019	41 26 39
MIROS Training	April 2019	3
Reach Truck Driver New Certificate Training	July 2019 November 2019 February 2020	17 11 7

Type of Training	Month & Year	No. of Employee
ASTRATA Training	July 2019	18
TAPA Training	August 2019	3
Hamzat Transport Driver Permit (HTDP) Course	September 2019	2
Driver Familiarization, Safety and Eco Cien Driver Training (HINO)	February 2020	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. During the financial year under review, the trainings conducted are as follows:-

Type of Training	Month & Year	No. of Employee
Forklift Driver New Certificate Training	June 2019 July 2019 September 2019 October 2019 December 2019 February 2020	6 16 44 5 18 17
Safety Campaign – Forklift	September 2019	68

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.
Existing warehouses gradually switching from halogen high bay lights to LED high bay lights.
Assess the water effluent discharged that flows from the premises directly into the main sewer network.
Assess the noise levels around the logistics centre as a requirement of an ISO 14001 Environmental Management System.
Rainwater harvesting and intelligent condenser water treatment.
Use of anhydrous ammonia plant room refrigeration system.
Use R-404A HFC blend truck refrigeration system.

COMMUNITY

Internship Programme

The Group continuously 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.

During the financial year, the Group has taken in students into its internship programme from Tunku Abdul Rahman University College, Universiti Teknologi Mara, Universiti Malaysia Kuala Lumpur, Universiti Utara Malaysia, Management & Science University, Politeknik Sultan Haji Ahmad Shah, Politeknik Metro, UCSI University, KDU University College, Universiti Malaysia Kelantan, Wawasan Open University and Megatech International College.

The Group accepted 65 students from various institutes of higher education into its internship programme in previous financial year. Whereas for the financial year under review, the group accepted 68 students into its internship programme.




Blood Donation Campaign

With the purpose of serving the community and to create awareness of safe blood saves life and improve health, a blood donation campaign was held at Berjaya Industry Logistics Centre at 16 September 2019, this campaign was organised by the Management of our subsidiary, TASCO Yusen Gold Cold Sdn Bhd with the collaboration with Hospital Hospital Tengku Ampuan Rahimah. Total of 66 packets of blood was collected.

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

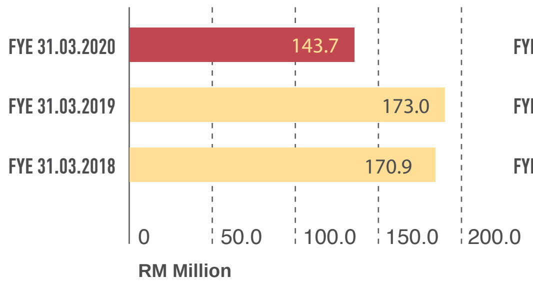
	REVENUE RATIO FYE 31.03.2020	REVENUE FYE 31.03.2020
AIR FREIGHT FORWARDING √ Air Freight Services	19%	**RM143.7 million**
OCEAN FREIGHT FORWARDING DIVISION √ Sea Freight Services	13%	**RM95.5 million**
CONTRACT LOGISTICS DIVISION √ Customs Clearance √ Haulage Transportation √ Warehousing Services √ Warehouse In-plant Services	41%	**RM311.0 million**
TRUCKING DIVISION √ Domestic Trucking √ Cross Border Trucking	11%	**RM79.7 million**
COLD SUPPLY CHAIN DIVISION √ Cold Supply Chain √ Convenience Retail	16%	**RM117.5 million**

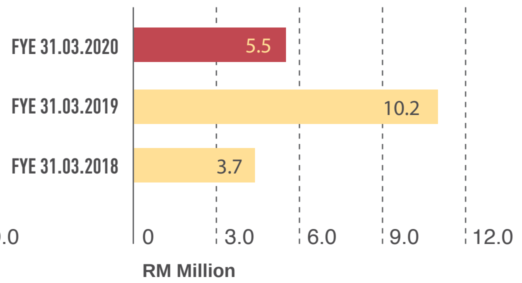
BUSINESS AT A GLANCE

REVENUE (MILLION RM)

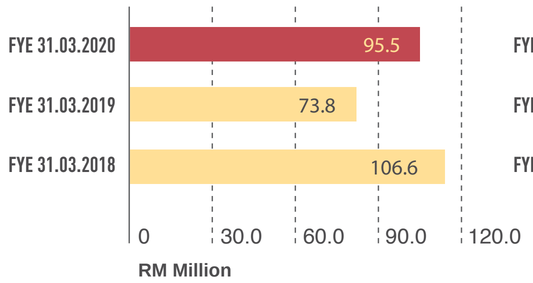
PROFITS FROM OPERATIONS (MILLION RM)

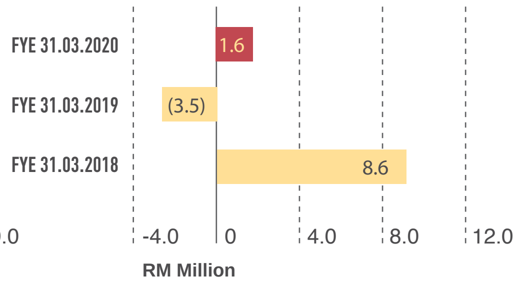
RESOURCE FACILITIES

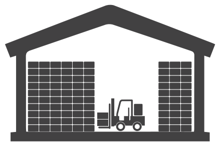




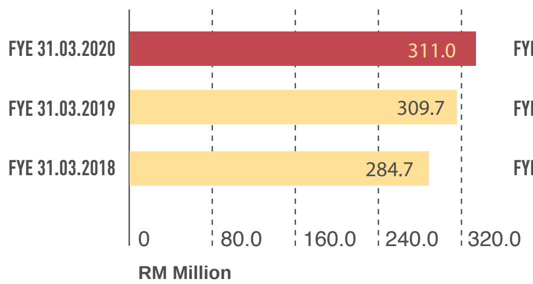
>500 Units
Prime Movers & Trucks

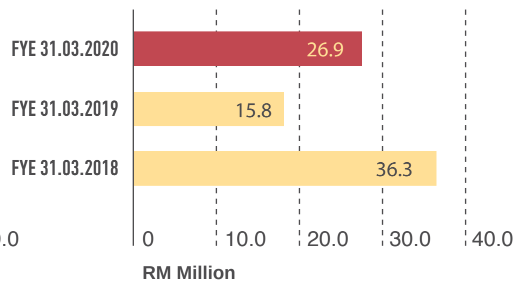


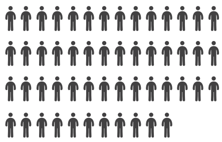




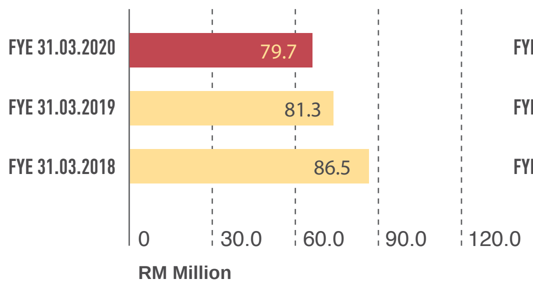
>250,000m²
Warehouse Space

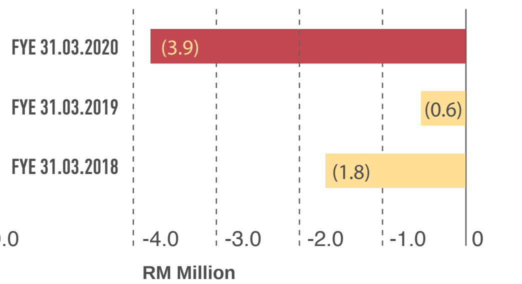




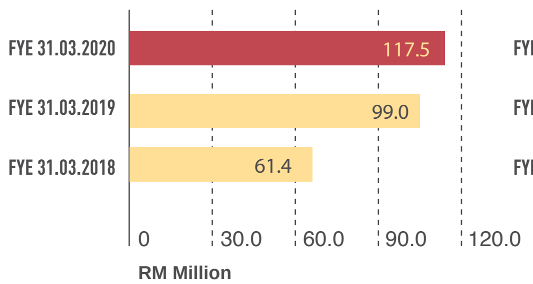


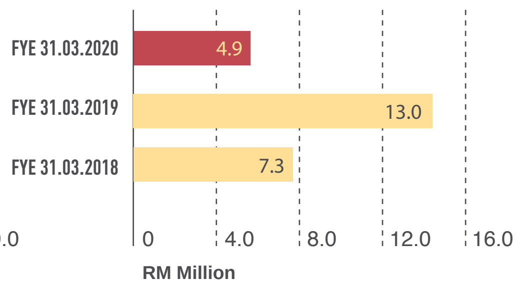
Domestic: >2,200
Worldwide: >60,000*
Employees





24 Logistics Centres
Domestic Network





594 Locations
under the
Global Network of YLK

* Under the global network of NYK Group

BOARD OF DIRECTORS

LEE CHECK POH
Non–Independent Executive Chairman

ANDY LEE WAN KAI
Non-Independent Group Chief Executive Officer (Appointed on 1 April 2020)

TAN KIM YONG
Non-Independent Deputy Group Chief Executive Officer

FREDDIE LIM JEW KIAT
Non-Independent Executive Director (Resigned as Group Chief Executive Officer on 1 April 2020)

NORIHIKO YAMADA
Non-Independent Executive Director

KWONG HOI MENG
Independent Non-Executive Director

RAYMOND CHA KAR SIANG
Independent Non-Executive Director

RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
Independent Non-Executive Director

DATUK DR WONG LAI SUM
Independent Non-Executive Director

COMPANY SECRETARIES

KANG SHEW MENG
MAICSA 0778565
CCM Practising Certificate
201908002065

SEOW FEI SAN
MAICSA 7009732
CCM Practising Certificate
201908002299

LOH LAI LING
MAICSA 7015412
CCM Practising Certificate
201908002445

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 Golden Eagle Realty
11th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21615222
Fax : 03-21613909

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD

MUFG BANK (MALAYSIA) BERHAD

MIZUHO BANK (MALAYSIA) BERHAD

STOCK EXCHANGE

MAIN MARKET
BURSA MALAYSIA SECURITIES BERHAD
Sector : Transportation & Logistics
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. Norihiko Yamada
   Non-Independent Executive Director
2. Kwong Hoi Meng
   Independent Non-Executive Director
3. Datuk Dr Wong Lai Sum
   Independent Non-Executive Director
4. Andy Lee Wan Kai
   Non-Independent Group Chief Executive Officer
5. Lee Check Poh
   Non-Independent Executive Chairman
6. Raippan s/o Yagappan @ Raiappan Peter
   Independent Non-Executive Director
7. Raymond Cha Kar Siang
   Independent Non-Executive Director
8. Tan Kim Yong
   Non-Independent Deputy Group Chief Executive Officer
9. Freddie Lim Jew Kiat
   Non-Independent Executive Director

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

Non-Independent Executive Chairman

NAME	LEE CHECK POH
AGE	71
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 year 1977 and appointed as a Director and the Managing Director in year 1989 and 1998 respectively. Re-designated as Executive Chairman in 2013
- Was appointed as an Executive Director and later as the Managing Director of Sony Logistics (M) Sdn Bhd between 1989 and 2004
- Was appointed as the Chairman of Yusen Logistics (Singapore) Pte Ltd and Chief Regional Officer of Yusen Logistics South Asia Oceania 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
- Was appointed as Corporate Officer of Nippon Yusen Kabushiki Kaisha from April 2018 to March 2020

Training

Violations of the Companies Act 2016 : Oversights by Directors and Secretaries (Part 1)

NAME	ANDY LEE WAN KAI
AGE	44
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	1 April 2020

Non-Independent Group Chief Executive Officer

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

Other Directorship in Public Company
None

Experience
- Currently appointed as Group Chief Executive Officer
- Appointed as the Chief Business Development Officer from April 2019 to April 2020
- Appointed as Managing Director of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO) from September 2017 to April 2020
- 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
Violations of the Companies Act 2016 : Oversights by Directors and Secretaries (Part 1)

NAME	TAN KIM YONG
AGE	58
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	17 February 2011

Non-Independent Deputy Group Chief Executive Officer

Qualification
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

Other Directorship in Public Company
None

Experience
- Currently appointed as the Deputy Group Chief Executive Officer in charge of Corporate Development Function Group
- Re-designated as Deputy Group Chief Executive Officer in 2019
- 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
Email Etiquette Training

PROFILE OF BOARD OF DIRECTORS

NAME	FREDDIE LIM JEW KIAT
AGE	59
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	19 August 2013

Non-Independent Executive Director

Qualification
Malaysia Certificate of Education

Other Directorship in Public Company
None

Experience
- Currently appointed as the Group Chief Executive Officer ("CEO") of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO)
- Resigned as Group CEO of TASCO Berhad on April 2020
- Re-designated as Group CEO of TASCO Group in June 2019
- Joined the Group in 1991 and appointed as the Managing Director from 2013 to 2019
- 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
Violations of the Companies Act 2016 : Oversights by Directors and Secretaries (Part 1)

NAME	NORIHIKO YAMADA
AGE	52
NATIONALITY	Japanese
GENDER	Male
DATE OF APPOINTMENT	1 April 2019

Non-Independent Executive Director

Qualification
Bachelor of Humanities and Social Sciences (Shizuoka University, Japan)

Other Directorship in Public Company
None

Experience
- Currently appointed as the Director in charge of the Business Development Function and a representative of YLK
- Appointed as Chief Business Development Officer on 1 April 2020
- Joined Yusen Air & Sea Service Co. Ltd, Nagoya Cargo Branch in 1992 as Customs Clearance staff, transferred to Nagoya Export Branch from 1993 to 1996 gaining invaluable experience in import and export procedures. Assigned to Sales Promotion Section of Okaya from 1996 to 1998
- Assigned to Miami Branch for a year (1998 – 1999) and thereafter recalled back to Japan to work in Central Japan Sales Division from 1999 to 2005
- Seconded to San Diego Sales Office from 2005 to 2008, thereafter transferred to Los Angeles Branch to in-charge of Sales Promotion of Los Angeles and San Diego and Sales Department Management until 2010
- Recalled to Japan in 2010 and was promoted as Manager in 2012 to in-charge of Development Sales Strategy of Business Planning Section at Global Headquarters thereafter transferred to Kansai Import Branch and work until his appointment to Malaysia as an Executive Director in April 2019

Training
Mandatory Accreditation Programme ("MAP")

NAME	KWONG HOI MENG
AGE	53
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	30 October 2007

Independent Non-Executive Director

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

Other Directorship in Public Company
None

Experience
- Appointed as an Independent Director in year 2007 and also the Chairman of the Audit Committee and a member of the Nominating Committee 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
- 2020 Budget Seminar
- MFRS 16 Leases – What it entails and its effects
- Evaluating Effective Internal Audit Function - Audit Committee's Guide On How To

NAME	RAYMOND CHA KAR SIANG
AGE	49
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	30 October 2007

Independent Non-Executive Director

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
Register of Charges, Creation and Variation, Release and Satisfaction

PROFILE OF BOARD OF DIRECTORS

NAME	RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
AGE	76
NATIONALITY	Malaysian
GENDER	Male
DATE OF APPOINTMENT	30 October 2007

Independent Non-Executive Director

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

- Bursa Malaysia Thought Leadership Series : The Convergence of Digitalization and Sustainability
- Workshop on Corporate Liability Provision (Section 17A) of the MACC Act 2009

NAME	DATUK DR WONG LAI SUM
AGE	65
NATIONALITY	Malaysian
GENDER	Female
DATE OF APPOINTMENT	1 March 2019

Independent Non-Executive Director

Qualification

- PhD Business, University Malaya
- Master in Public Administration, University Malaya
- Bachelor of Science (Hons) Biochemistry, University Malaya

Other Directorship in Public Company

- SAM Engineering & Equipment (M) Berhad
- Milux Corporation Berhad

Experience

- Appointed as an Independent Director in year 2019
- Adviser of Faculty of Business and Accountancy in University of Malaya since 2016
- Conjoint Professor (Practice) of Faculty of Business in University of Newcastle, Australia from 2016 to 2018
- Associate Professor of Faculty of Business and Research Fellow of TAR University College from 2016 to 2018 and 2018 to 2019 respectively
- Singapore Business Advisory Group of University of Newcastle from 2016 to 2018
- Director of Port Klang Authority from 2016 to 2017
- Economic Adviser to the Minister of Transport, Ministry of Transport Malaysia from 2016 to 2018
- Advisor to the National Export Council and CEO of the Malaysia External Trade Development Corporation from 2015 to 2016 and 2012 to 2015 respectively
- Director of Malaysia Petroleum Resources Council from 2013 to 2015
- Director and Trustee of the Malaysia Furniture Promotion Council from 2012 to 2015
- Director of MyCEB Tourism from 2012 to 2014
- Co-Chairman of Professional Services Development Council, Malaysia from 2012 to 2014

Training

- Financial Language in a Board Room
- Bursa Malaysia Thought Leadership Series : The Convergence of Digitization and Sustainability
- Cyber Security Awareness
- Bursa Thought Leadership Series – Sustainability Inspired Innovations : Enablers of the 21st Century
- Corporate Liability on Corruption

NAME CHE WUI CHING

AGE 46 / Malaysian / Female

Corporate Director
Finance Group

Qualification:
Bachelor of Commerce in Accounting
(University of Otago, New Zealand)

Working Experience:-
- Joined the Company in 1999 as an Assistant Supervisor
- Appointed as the Corporate Director in 2016
- In charge of the Finance Group
- 23 years of working experience in accounts and finance

NAME MOHD SUFFIAN BIN MOHD SAID

AGE 52 / Malaysian / Male

Corporate Director
Customs Forwarding Group and Compliance Group

Qualification:
Bachelor in Business Administration
(University of North Texas, USA)

Working Experience:-
- Joined the Company in 2008 as Deputy General Manager
- Appointed as Corporate Director in 2016
- In charge of Customs Forwarding Group and Compliance Group
- 29 years of logistics and supply chain experience

NAME DORAIRAJ A/L SENGARAM

AGE 54 / Malaysian / Male

Corporate Director
Operations and Quality & Performance Improvement Group

Qualification:
Bachelor of Arts in Business Administration
(Universiti Utara Malaysia)

Working Experience:-
- Joined the company in 2011 as General Manager
- Appointed as Chief Operating Officer in December 2017
- Appointed as Corporate Director in 2016
- In charge of Operations and Quality & Performance Improvement Group
- 30 years of logistics experience

NAME KONG PUI KIN

AGE 50 / Malaysian / Male

General Manager
International Freight Forwarding Group

Qualification:
Bachelor of Arts in Business Management
(Reitaku University, Japan)

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

NAME MASANORI TAKAHASHI

AGE 50 / Japanese / Male

General Manager
Total Logistics Sales Division - Japanese sales

Qualification:
Bachelor of Laws (Meiji University, Japan)

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
- 26 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

AGE 48 / Malaysian / Male

General Manager
Business Development, Key Account Management Group

Qualification:
Bachelor of Commerce in Marketing and Management
(Curtin University, Perth, Western Australia)

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

PROFILE OF KEY MANAGEMENT

NAME SUNG BOON LEONG

AGE 62 / Malaysian / Male

Corporate Director
Northern Region Head

Qualification:
Bachelor of Social Science in Economics and Psychology (Universiti Kebangsaan Malaysia)

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

NAME LAWRENCE QUEK HWAI CHOO

AGE 52 / Malaysian / Male

Deputy General Manager
Southern Region Head

Qualification:
Diploma in Business Management
(SBTC College, Johor, Malaysia)

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

NAME LIOW WEI KUNG

AGE 60 / Malaysian / Male

General Manager
IT Development Group

Qualification:
Bachelor of Social Science (Hons) Computing (University of Bolton, UK)
Higher Diploma in Accounting

Working Experience:-
- Joined the Company in 1991 as Head of Accounts Department in Penang Prai Logistics Centre
- Appointed as Head of Planning and Control in Head Quarter in 1999
- Appointed as Head of IT Division in 2002
- Promoted to General Manager in 2016
- In charge of IT Development Group
- 18 years of experience in Software Engineering and Project Management. 11 years of experience in Accounting and Finance
- Prior to the above, 10 years of experience in Banking

NAME HARIS FAZAIL BIN HAROON

AGE 55 / Malaysian / Male

Director
Human Resources Group of Tasco Yusen Gold Cold Sdn Bhd ("TYGC") Group

Qualification:
Advanced Diploma in Business Administration (Transport) (Institute Teknologi MARA Shah Alam)

Working Experience:-
- Joined the company in 1995 as an Executive
- Appointed as Head of Truck Freight Station of Penang Prai Logistics Centre in 1998
- Appointed as Trucking Division Head in 2007
- Appointed as Corporate Director of TASCO in 2011
- In charge of Transport, Haulage and Warehouse Group
- Appointed as Director of TYGC in 2008
- In charge of Human Resources Group of TYGC Group
- 25 years of working experience in the trucking business

PROFILE OF KEY MANAGEMENT

NAME TAN NEE PHING

AGE 50 / Malaysian / Female

Corporate Director
Cold Supply Chain Division of TYGC Group

Qualification:
Bachelor Degree in Marketing
(University of Mississippi, USA)

Working Experience:-
- Joined Gold Cold Integrated Logistics Sdn Bhd as Senior Manager, Logistics Hub-Business & Solutions Development since 2006
- Appointed as Corporate Director in TYGC in 2019
- In charge of Cold Supply Chain Division of TYGC Group
- 27 years of experience in logistics industry focusing in cold chain warehousing and transportation

NAME CHOY WENG HOE

AGE 48 / Malaysian / male

Corporate Director
Finance Group and Legal Group of TYGC Group

Qualification:
Master of Business Administration
(Charles Sturt University, Australia)
Member of Malaysian Institute of Accountants

Working Experience:-
- Joined Gold Cold Transport Sdn Bhd as Head of Finance since year 2015
- Appointed as Corporate Director of TYGC in 2019
- In charge of Finance Group and Legal Group of TYGC Group
- 28 years of experience in accounts and finance

NAME TAN JUI HOW

AGE 55 / Malaysian / Male

Corporate Director
Convenience Retail Division and IT Development Group of TYGC Group

Qualification:
Master of Business Administration
(University of Hull, UK)
Bachelor in Computer Science
(Universiti Kebangsaan Malaysia)

Working Experience:-
- Joined TYGC in 2018 as Corporate Director
- In charge of Convenience Retail Division and IT Development Group of TYGC Group
- 14 years of experience in information technology, business process, supply chain & logistics in the largest convenience retail chain company in Malaysia
- Prior to the above, he gained experience as Internal Auditor in Bank Negara and Head of Operations in several stockbroking firms

NAME TAI KAIN FATT

AGE 40 / Malaysian / Male

Deputy General Manager
Contract Logistics and Trucking Group of TYGC Group

Qualification:
Fellow Member of the Association of Chartered Certified Accountants (FCCA)

Working Experience:-
- Joined the company in 2010 as a Manager in Supply Chain Support
- Appointed as Division Head of Automotive in 2013
- Appointed as Trucking Division Head in 2015
- Appointed Transport Group Head in 2017
- Appointed as Chief Operation Officer of TYGC in 2020
- Trained and practiced as a Chartered Accountant prior to joining the Group

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.

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. The Board has also provided specific disclosures on the application of each practice in its Corporate Governance Report ("CG Report"). The CG Report was announced to Bursa Securities together with the Annual Report of the Company. A copy of the CG Report can be obtained from the Company's website at **www.tasco.com.my**. Shareholders are advised to read this Overview Statement together with the CG Report.

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 2020, the Board comprises nine (9) members, including four (4) Independent Non-Executive Directors. The Board had also established the following Three (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:

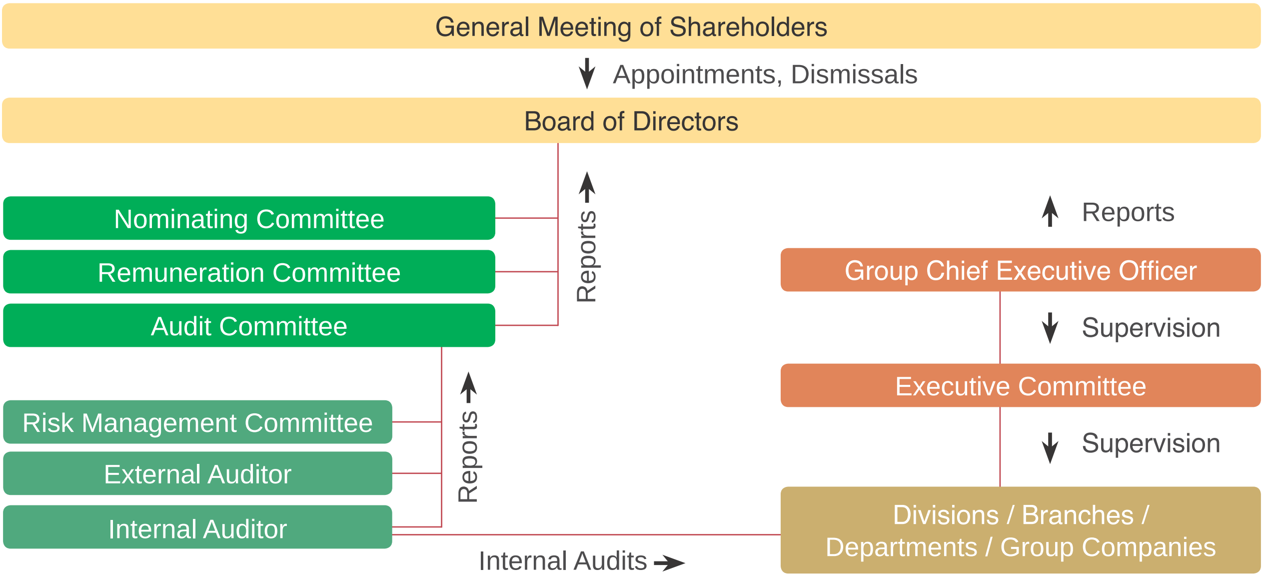
(a) Nominating Committee
(b) Remuneration Committee
(c) Audit Committee

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 Group Chief Executive Officer comprises fifteen (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 Group Chief Executive Officer are held by two (2) individuals. There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer, which will ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and workings of the Board. The Group Chief Executive Officer 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.



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 reviewed the Board Charter on 21 November 2019.

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 at **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.

Corporate Compliance Policy and Whistleblowing Policy and Procedure

The Company has established a Corporate Compliance Policy to steer acceptable employment practices, ethical values and conduct for behaviour of employees. The Board also 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.

The Corporate Compliance Policy and Whistleblowing Policy and Procedure are made available for reference in the Company's website at **www.tasco.com.my**.

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.

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

The Board convenes at least four (4) scheduled Board meetings during each financial year. More meetings will be scheduled depending on business requirements, where appropriate. During the financial year, a total of four (4) Board meetings were held.

Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors in time to enable the Directors to effectively discharge their responsibilities. Any additional information requested by Directors is readily available. Reports on the performance of the Group are also circulated to the Directors for their perusal and comments. The Board also has a formal schedule of matters reserved to it for deliberation and decision such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

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

The Board is also notified of any corporate announcements to be released to Bursa Malaysia and is kept informed of updates issued by the various regulatory authorities.

All proceedings of the Board meetings are minuted and signed by the Chairman of the meeting.

In 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. Besides Datuk Dr Wong Lai Sum is currently holding three (3) directorships in other public listed companies, none of the Directors held directorship in other listed company.

The annual schedule of meetings of the Board, its Committees and shareholders meeting are usually set at the end of each year to enable the Directors to plan ahead and to facilitate their commitment to these meetings for the following year. Additional meetings are planned as and when necessary. Details of the attendance at Board and Board Committee meetings are set out in the relevant sections of this 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 2020 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	4/4
Andy Lee Wan Kai (Group Chief Executive Officer)[1]	Executive	No	3/4
Tan Kim Yong (Group Deputy Chief Executive Officer)	Executive	No	4/4
Freddie Lim Jew Kiat[2]	Executive	No	4/4
Norihiko Yamada	Executive	No	4/4
Raymond Cha Kar Siang	Non-Executive	Yes	4/4
Kwong Hoi Meng	Non-Executive	Yes	4/4
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	4/4
Datuk Dr Wong Lai Sum	Non-Executive	Yes	4/4

Notes:-

(1) Appointed as Group Chief Executive Officer on 1 April 2020
(2) Resigned as Group Chief Executive Officer on 1 April 2020

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, economic 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 will be taken to meet the requirements of the Code as mentioned above. The appointment of Datuk Dr Wong Lai Sum as our Independent Non-Executive Director in March 2019 has brought us one step closer to the observance of Practice 4.5 of the Code.

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.

On 1 April 2020, Mr Andy Lee Wan Kai was appointed as our Group Chief Executive Officer to replace Mr Freddie Lim Jew Kiat, who relinquished his position as the Group Chief Executive Officer.

Tenure of Independent Directors

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 as there are significant advantages to be gained from long-serving directors who possess tremendous insight and in-depth knowledge of the Group's business and affairs. 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 twelve (12) years are Mr. Kwong Hoi Meng, Mr. Raymond Cha 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 twelve (12) years as Independent Directors after assessment and recommendation by the Nominating Committee.

Nevertheless, that the independent directors have mentioned above have served as Independent Directors of TASCO for more than twelve (12) years 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 without going through the two-tier voting process 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, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae, candidate's qualifications as well as formal or informal interview at the Nominating Committee's discretion.

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, whereas 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. A female director has been appointed since 1 March 2019.

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

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 at **www.tasco.com.my**. The Board reviewed the terms of reference of Nominating Committee on 21 November 2019. The terms of reference can be obtained from the Company's website at **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 2020 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 organisation towards achieving its intended goals and objectives. The Nominating Committee shall propose new candidates for the Board and assess Directors on an ongoing basis.

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.

During the financial year under review, the Nominating Committee also reviewed and recommended to the Board the re-election of Directors who retire in accordance with the Company's Constitution.

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. A brief description of the trainings attended by the Directors is as follows:-

1. Violations of the Companies Act 2016 : Oversights by Directors and Secretaries (Part One)
2. Mandatory Accreditation Program ("MAP")
3. Register of Charges, Creation and Variation, Release and Satisfaction
4. 2020 Budget Seminar
5. MFRS 16 Leases – What it entails and its effects
6. Evaluating Effective Internal Audit Function - Audit Committee's Guide On How To
7. Bursa Malaysia Thought Leadership Series : The Convergence of Digitalization and Sustainability

8. Workshop on Corporate Liability Provision (Section 17A) of the MACC Act 2009
9. Financial Language in a Board Room
10. Cyber Security Awareness
11. Bursa Thought Leadership Series – Sustainability Inspired Innovations : Enablers of the 21st Century
12. Corporate Liability on Corruption
13. Email Etiquette Training

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.

III 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 2020 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
Kwong Hoi Meng	Non-Executive	Yes	1/1

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

The terms of reference of the Remuneration Committee has been reviewed by the Board on 15 November 2018 and it complies with the recommendations of the Code. The terms of reference can be obtained from the Company's website at **www.tasco.com.my**.

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 a Remuneration Policy to establish a formal and transparent procedure for developing the structure for the remuneration package of Directors and Key Senior Management. The Company aims to maintain a competitive remuneration package that will attract, retain and motivate a high quality Board and Key Senior Management to achieve Company's business objectives and at the same time aligned with shareholders' interests. The Remuneration Policy is made available for reference in the Company's website at **www.tasco.com.my**.

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 RM300,000 for the period from 15 September 2020 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 RM20,000 from 15 September 2020 until the next AGM of the Company.

The details of the remuneration of Directors of the Company and Group for the financial year ended 31 March 2020 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	-	2
RM50,001 to RM100,000	-	2
RM200,001 to RM250,000	1	-
RM750,001 to RM800,000	1	-
RM850,001 to RM900,000	1	-
RM950,001 to RM1,000,000	1	-
RM1,750,001 to RM1,800,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	-	4,596,133	4,596,133
Non-Executive Directors	208,000	-	208,000

Received from the Group

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM50,001 to RM100,000	-	2
RM200,001 to RM250,000	1	-
RM750,001 to RM800,000	1	-
RM850,001 to RM900,000	1	-
RM950,001 to RM1,000,000	1	-
RM1,750,001 to RM1,800,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	-	4,596,133	4,596,133
Non-Executive Directors	208,000	-	208,000

The details of the remuneration of Key Management of the Company and Group for the financial year ended 31 March 2020 by category and in the band of RM50,000 are as follows:

Range of Remuneration	Group	Company
RM150,001 to RM200,000	-	1
RM200,001 to RM250,000	1	1
RM250,001 to RM300,000	3	3
RM300,001 to RM350,000	2	2
RM350,001 to RM400,000	1	1
RM400,001 to RM450,000	1	-
RM450,001 to RM500,000	2	1
RM500,001 to RM550,000	1	-
RM600,001 to RM650,000	1	-

Summary of activities of Remuneration Committee:

- Reviewed the remuneration packages for the Executive Directors.
- Reviewed the fees and benefits for the Non-Executive Directors and recommended to the Board to seek shareholders approval.

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 terms of reference of Audit Committee has been reviewed on 21 November 2019 and is available in the Company's website.

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 not appointed any of the Company's former key audit partners as a member of the Audit Committee. The Audit Committee will observe a minimum two (2) years cooling-off period before any former key audit partner can be appointed as a member of the Audit Committee.

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 seven (7) 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 27 February 2020 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 2020, statutory audit fees incurred by the Company and on Group basis is RM103,877 and RM259,366 respectively while the review of quarterly financial statements incurred by the Company on Group basis is RM73,670.

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 2020 is RM78,970.

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 60 of this Annual Report.

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 recognises 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 11 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 recognises 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.

The Audit Committee has conducted an annual assessment of the Internal Audit Function to ensure adequacy of its scope, competency and resources for it to be able to effectively perform its function in accordance with the relevant professional standards. While performing the audit, the Internal Auditor is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

During the financial year, the Internal Auditor conducted audit in the areas of Trucking, Payment, Human Resource Management and Procurement. 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.

The Group incurred RM50,096 for internal audit costs during the financial year ended 31 March 2020.

The Statement of Risk Management and Internal Control, set out on pages 64 and 65 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 62 of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL 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. Andy Lee Wan Kai
(Group Chief Executive Officer)
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : andy.lee@tasco.com.my

Mr. Tan Kim Yong
(Deputy Group Chief Executive Officer)
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : ky.tan@tasco.com.my

The Company holds briefing sessions for fund managers, investment analysts and the media in conjunction with the announcement of quarterly results, yearly financial results to Bursa Malaysia and AGM.

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's website.

II. Conduct of General Meeting

The Board encourages shareholders' active participation at the Company's AGM. The AGM remains the principal forum for dialogue with shareholders where it provides an opportunity for the shareholders to seek clarifications on the Group's operations. Given the significance of AGM, at least 28 days' notice of meeting together with the Annual Report is sent out to the shareholders. All Board members attended the Forty-Fourth AGM and provided responses to questions addressed to them. The Chairman and Board members will undertake to provide the shareholder with a written answer to any significant question that cannot be readily answered. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if any.

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

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.

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2020.

COMPOSITION AND ATTENDANCE

The present composition of the Audit Committee ("AC") is as follows:

Name	Status of Directorship	Independent	Meeting Attended
Kwong Hoi Meng (Chairman)	Non-Executive	Yes	4/4
Raymond Cha Kar Siang	Non-Executive	Yes	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 requirement of Practice 8.4 of the Code where the AC consists solely of independent directors. The AC Chairman is not the Chairman of the Board in accordance to Practice 8.1 of the Code.

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

AUTHORITY

The AC shall be in accordance with the procedures determined by the Board and at the cost of the Group:

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

The full terms of reference of the AC can be viewed at the Company's website at **www.tasco.com.my.**

MEETINGS

The AC met four (4) times during the financial year ended 31 March 2020 with full attendance.

Minutes of each meeting were recorded and tabled for confirmation at the next 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 Executive Directors and the management. At these meetings the AC enquired about the management cooperation with the External Auditors, access to information in their course of audit and proficiency in financial reporting. The External Auditors were also invited to raise any matter that is of importance to the AC.

INTERNAL AUDIT

The Group Internal Audit Function that was outsourced to Messrs. Omar Arif & Co. conducted the audit activities as planned in the Internal Audit Memorandum. Their scope of audit also covers Related Party Transactions ("RPT").

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 2020. Their reports cover the status and progress of their assignments, audit recommendations, management's response and the outcome of the procedural review on RPT, 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 2020 is RM54,760.

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 2019.

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 action.

- Considered the renewal of Internal Audit engagement.

- During the financial year, the Internal Auditors conducted audit in the areas of Trucking, Payment, Human Resource Management and Procurement.

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 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.

- 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 policy and procedures of the Company.

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 recommend to the Board to seek shareholders' approval for renewal of shareholders mandate.

OTHER INFORMATION

The Nominating Committee had on 27 February 2020 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.

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 Group Chief Executive Officer and Chief Financial Officer 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 (3) components as described below. The system has been put in place for the financial year under review and up to date of approval of the Annual Report and Financial Statements.

CONTINUOUS PROCESS

The Board takes cognisance of the continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key elements of the Group's internal control system covers the following:

- Organisation structure are properly drawn up according to functions with clear 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 9001:2015 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;
- 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;
- Established the Code of Conduct documenting and communicating the ethical principles and expected standard of conducts for and to all the personnel within the Group; and
- Implementation of a written Whistle Blowing Policy which set out formal channels through which relevant matters may be raised by concerned parties.

There are no material losses incurred during the financial year as a result of weaknesses in internal control. The management will continue to take adequate measures to strengthen the control environment in which the Group operates.

INTERNAL AUDIT

The Group has outsourced the Internal Audit Function to an independent professional firm, Messrs Omar Aritf 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 2020, 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	RM259,366	RM103,877
Non-Audit Fees	RM78,970	RM78,970

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 2020 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. Norihiko Yamada[1], NYK Group[3], YLK and YLSG	Sales :100,332 Purchases:88,603
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. Norihiko Yamada[1], NYK Group[3], YLK and YLSG	1,465
3	Software agreement entered into between TASCO and the NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG	1,084
4	Management service agreements entered into between TASCO and the NYK Group's subsidiaries for the provision of business development, sales, marketing and related activities by NYK Group to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG	10,829
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG	1,909

Notes:
1. Mr. Norihiko Yamada was seconded to TASCO from YLK and was appointed as Executive Director on 1 April 2019.
2. NYK denotes Nippon Yusen Kabushiki Kaisha, the ultimate holding company of TASCO.
3. NYK Group denotes NYK's subsidiary companies and affiliates.

2019/20 EVENTS CALENDAR

22 AUGUST 2019

Our Company convened the 44th Annual General Meeting in our Corporate Head Office. The shareholders actively participated in the meeting and all resolutions were passed at the meeting.



30 AUGUST 2019

The Company hosted the SAOR MD Meeting in our Corporate Head Office


31 AUGUST 2019

TASCO organized a Merdeka Telematch at Panasonic Stadium, Shah Alam in conjunction with the 45th Anniversary of the Company.

31 AUGUST 2019

TASCO held its 45th Anniversary celebration dinner at Sunway Lagoon Resort Hotel

3 SEPTEMBER 2019

Launching of Safety Campaign FY2019



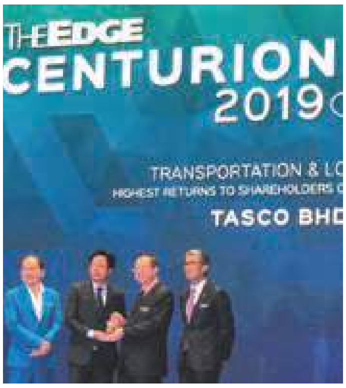
11 – 13 SEPTEMBER 2019

The Company hosted SAO : O365 Promotion Training in our Corporate Head Office

CALENDAR OF EVENTS

16 OCTOBER 2019
TYGC organized a blood donation event at Berjaya Industrial Logistics Centre





12 NOVEMBER 2019
The Company was awarded - Highest Returns to Shareholders over the Three Years (Transportation & Logistics Category) by The Edge Centurion Club

17 FEBRUARY 2020
Signing of MOU with University Tenaga Nasional to leverage each Party respective fields of expertise for discussing and working together specifically in the areas related to Work Based Learning.



4 – 5 NOVEMBER 2019
The Company hosted the FY2019 SONY – Yusen Logistics Global Partner Meeting in our Corporate Head Office

22 NOVEMBER 2019
TASCO received a Performance Award from Roland Manufacturing Malaysia Sdn Bhd

11 MAY 2020
The Company was awarded SAO BD Awards of the Year 2019 in recognition of our outstanding BD budget commitment

FINANCIAL STATEMENTS

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company limited by way of shares incorporated in Malaysia under the Companies Act 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

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 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business as an integrated logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 8 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 financial year	9,906,143	7,346,129
Attributable to:		
Owners of the Company	8,891,310	7,346,129
Non-controlling interests	1,014,833	-
	9,906,143	7,346,129

DIVIDENDS

During the financial year, the Company paid a single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2019.

On 18 June 2020, the directors declared a single-tier dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of the financial year ended 31 March 2020.

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 other than those as disclosed in the statements of changes in equity set out on pages 86 and 87.

ULTIMATE HOLDING COMPANY

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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
Datuk Dr Wong Lai Sum	
Mr Masaki Ogane	*(Resigned on 1 April 2019)*
Mr Norihiko Yamada	*(Appointed on 1 April 2019)*

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	
Mr Rikiya Kanamori	*(Appointed on 11 June 2019)*

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			
The Company	**At 1.4.2019**	**Bought**	**Sold**	**At 31.3.2020**
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
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' INTERESTS IN SHARES (CONT'D)

The other directors in office at the end of financial year, did not have any interest in shares in the Company or its related corporations during the financial year.

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
Directors' fee	208,000
Other emoluments	4,126,684
Contribution to post-employment benefits	469,449

INDEMNITY

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company are RM5,000,000 and RM12,000 respectively.

OTHER INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that 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 be realised in the ordinary course of business including their values of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

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

(i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

OTHER INFORMATION (CONT'D)

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 of 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 as and 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

In the opinion of the directors, other than the impact of Covid-19 outbreak as set out in note 46(d) to the financial statements:

(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.

SIGNIFICANT EVENTS

Details of significant events is disclosed in note 46 to the financial statements.

AUDITORS

Auditors' remuneration is set out in note 30 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: 18 June 2020

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 2020 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 80 to 156.

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 2020, 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' *International 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:

The Group acquired 100% equity interest in Gold Cold Transport Sdn Bhd and its subsidiary ("GCT Group") in prior year.

Management concluded that the consideration paid over the fair value of the identifiable assets and liabilities, of the subsidiaries 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 3(i) and 7 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.

How the matter was addressed in our audit:

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 and 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 2020 amounted to RM747,438,303 and RM641,528,761 respectively.

The Group 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 occurence of services rendered and the appropriateness of the timing of revenue recognition with transactions occurring on or near year-end. Some of the revenue streams of the Group and of the Company depict recognition of revenue over time, based on the progress towards the completion of each performance obligation at the reporting date.

Due to the significant volume of above transactions, there is risk that revenue could be recognised in the incorrect period for transactions occurring near or at the year end.

The Group's and the Company's disclosures about revenue recognition are included in notes 4(i) and 28 to the financial statements.

How the matter was addressed in our audit:

To address the matters identified, we assessed the design and the implementation of the Group's and of the Company's key controls over revenue recognition and tested the operating effectiveness of identified controls. We evaluated the compliance of the revenue recognition criteria in accordance with accounting standard and reviewed the quantification of the opening transitional adjustments made to the financial statements. We also tested revenue transactions by inspecting source documents using sampling techniques. The procedures covered testing the accuracy and timing of recording individual transactions. For transactions close to the period end, we tested the cut-off procedures on material sales transactions and reviewed credit notes issued to customers after year end to ascertain whether revenue is recognised in the correct period.

(c) Impairment of trade receivables

The risk:

As at 31 March 2020, the carrying amounts of the Group's and Company's trade receivables were RM126,038,251 and RM103,590,647 respectively. The collectability of these receivables are assessed on an ongoing basis.

The Group applies the simplified approach in the measurement of loss allowance for trade receivables. Accordingly, provision matrix was use to estimate the expected credit losses ("ECL") taking into account historical credit loss occurrences, assessment of customers' ability to pay the outstanding balances and where appropriate, adjusted with forward-looking information, including the impact of Covid-19 outbreak.

We have identified this to be a key audit matter as it requires management to make significant estimation in the assessment of credit losses at end of the reporting period.

The key assumption of estimation on allowance for ECL and the Group's credit risk management are disclosed in notes 3(ii) and 43 to the financial statements, and further information related to trade receivables is disclosed in note 12 to the financial statements.

How the matter was addressed in our audit:

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.

We also obtained an understanding of the Group's method and assumptions in estimating the ECL, and assessed the reasonableness of year end ECL by recalculating the loss rate applied for each aging buckets at the reporting date.

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.

- 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.

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 8 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
02997/06/2022 J
Chartered Accountant

Kuala Lumpur

Date: 18 June 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	503,247,355	525,518,352
Right-of-use assets	6	13,076,097	-
Goodwill	7	81,864,054	81,864,054
Investment in associated company	9	3,047,985	3,214,853
Investment in a joint venture	10	3,288,980	3,944,172
Other assets		1,008,204	1,008,204
Total non-current assets		605,532,675	615,549,635
Current assets			
Trade receivables	12	114,514,656	112,335,080
Other receivables, deposits and prepayments	13	18,658,247	21,530,339
Derivative financial assets	14	-	835,453
Amount owing by immediate holding company	15	4,102,320	3,649,898
Amounts owing by related companies	16	6,587,604	7,444,069
Amount owing by associated company	9	54,800	14,800
Amount owing by a joint venture	10	833,671	3,257,330
Current tax assets		2,014,561	12,255,228
Short term investments	17	5,329,513	5,155,077
Fixed deposits with licenced banks	18	78,628,142	16,535,029
Cash and bank balances	19	113,153,309	60,643,606
Total current assets		343,876,823	243,655,909
TOTAL ASSETS		949,409,498	859,205,544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	20	100,801,317	100,801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		-	(10,941)
Exchange translation reserve		(643,844)	(41,679)
Fair value reserve		(64,999)	(64,999)
Retained earnings		334,189,137	269,172,930
Equity attributable to owners of the Company		435,682,202	371,257,219
Non-controlling interests		64,576,642	1,636,706
Total equity		500,258,844	372,893,925
Non-current liabilities			
Amount owing to corporate shareholder of subsidiary company	21	4,945,172	-
Lease liabilities	6	4,273,776	-
Hire purchase payables	22	10,173	204,611
Bank term loans	23	245,169,934	289,595,942
Deferred tax liabilities	24	23,954,306	26,352,102
Total non-current liabilities		278,353,361	316,152,655
Current liabilities			
Trade payables	25	46,760,294	48,535,000
Other payables, deposits and accruals	26	28,849,507	32,649,285
Amount owing to immediate holding company	15	1,588,549	1,574,162
Amounts owing to related companies	16	5,340,283	5,285,934
Amount owing to corporate shareholder of subsidiary company	21	487,332	-
Lease liabilities	6	9,046,505	-
Hire purchase payables	22	218,485	1,127,770
Bank term loans	23	78,180,944	60,187,112
Revolving credits	27	-	20,000,000
Current tax liabilities		325,394	799,701
Total current liabilities		170,797,293	170,158,964
Total liabilities		449,150,654	486,311,619
TOTAL EQUITY AND LIABILITIES		949,409,498	859,205,544

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	295,650,721	314,551,133
Right-of-use assets	6	7,746,228	-
Investment in subsidiary companies	8	107,689,939	38,429,939
Investment in associated company	9	3,000,000	3,000,000
Investment in a joint venture	10	3,480,000	4,000,000
Amount owing by a subsidiary company	11	11,538,734	-
Other assets		1,008,204	1,008,204
Total non-current assets		430,113,826	360,989,276
Current assets			
Trade receivables	12	89,523,004	86,950,147
Other receivables, deposits and prepayments	13	12,342,951	17,810,193
Derivative financial assets	14	-	835,453
Amount owing by immediate holding company	15	4,102,320	3,649,898
Amounts owing by subsidiary companies	11	96,714,941	236,858,716
Amounts owing by related companies	16	6,587,604	7,444,069
Amount owing by associated company	9	54,800	14,800
Amount owing by a joint venture	10	241,176	3,257,330
Current tax assets		626,868	10,908,767
Fixed deposits with licensed banks	18	54,534,769	12,853,753
Cash and bank balances	19	50,971,991	42,288,271
Total current assets		315,700,424	422,871,397
TOTAL ASSETS		745,814,250	783,860,673

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	20	100,801,317	100,801,317
Hedge reserve		-	(10,941)
Fair value reserve		(64,999)	(64,999)
Retained earnings		212,008,574	209,662,445
Total equity		312,744,892	310,387,822
Non-current liabilities			
Lease liabilities	6	605,753	-
Bank term loans	23	212,700,003	253,600,000
Deferred tax liability	24	9,341,996	10,498,531
Total non-current liabilities		222,647,752	264,098,531
Current liabilities			
Trade payables	25	38,078,114	40,138,157
Other payables, deposits and accruals	26	26,511,047	29,606,534
Amount owing to immediate holding company	15	1,588,549	1,574,162
Amounts owing to subsidiary companies	11	58,825,296	57,997,805
Amounts owing to related companies	16	5,340,283	5,285,934
Lease liabilities	6	7,311,653	-
Bank term loans	23	72,766,664	54,771,728
Revolving credits	27	-	20,000,000
Total current liabilities		210,421,606	209,374,320
Total liabilities		433,069,358	473,472,851
TOTAL EQUITY AND LIABILITIES		745,814,250	783,860,673

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	28	747,438,303	736,801,008	641,528,761	638,315,879
Cost of sales		(638,136,490)	(636,166,693)	(551,216,669)	(564,097,030)
Gross profit		109,301,813	100,634,315	90,312,092	74,218,849
Other income	29	7,044,245	4,934,090	10,277,022	4,817,383
Administrative and general expenses		(77,098,623)	(68,137,236)	(68,439,800)	(58,484,431)
Profit from operations	30	39,247,435	37,431,169	32,149,314	20,551,801
Finance costs	31	(18,347,594)	(18,428,618)	(16,056,314)	(16,189,884)
Share of results of associated company and joint venture		(302,060)	(341,782)	-	-
Profit before tax		20,597,781	18,660,769	16,093,000	4,361,917
Tax expense	32	(10,691,638)	(5,279,131)	(8,746,871)	(1,754,004)
Profit for the year		9,906,143	13,381,638	7,346,129	2,607,913
Other comprehensive (loss)/income:					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operation		(602,165)	120,445	-	-
Fair value adjustment on cash flow hedge		10,941	113,066	10,941	113,066
Other comprehensive (loss)/income for the year, net of tax		(591,224)	233,511	10,941	113,066
Total comprehensive income for the year		9,314,919	13,615,149	7,357,070	2,720,979
Profit attributable to:					
Owners of the Company		8,891,310	13,063,242	7,346,129	2,607,913
Non-controlling interests		1,014,833	318,396	-	-
Profit for the year		9,906,143	13,381,638	7,346,129	2,607,913
Total comprehensive income attributable to:					
Owners of the Company		8,300,086	13,296,753	7,357,070	2,720,979
Non-controlling interests		1,014,833	318,396	-	-
Total comprehensive income for the year		9,314,919	13,615,149	7,357,070	2,720,979
Basic earnings per share attributable to owners of the Company (sen per share)	33	4.45	6.53		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

		Attributable to owners of the Company								
		Non distributable					Distributable			
	Note	Share capital RM	Revaluation reserve RM	Hedge reserve RM	Exchange translation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
Balance at 1 April 2018		100,801,317	1,400,591	(124,007)	(162,124)	(64,999)	261,109,688	362,960,466	1,318,310	364,278,776
Total comprehensive income for the year		-	-	113,066	120,445	-	13,063,242	13,296,753	318,396	13,615,149
Dividends paid	34	-	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Balance at 31 March 2019		100,801,317	1,400,591	(10,941)	(41,679)	(64,999)	269,172,930	371,257,219	1,636,706	372,893,925
Total comprehensive income for the year		-	-	10,941	(602,165)	-	8,891,310	8,300,086	1,014,833	9,314,919
Dividend paid	34	-	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Dividend paid to non-controlling interest of a subsidiary company		-	-	-	-	-	-	-	(1,950,000)	(1,950,000)
Accretion from issuance of shares by a subsidiary to non-controlling interest	46(b)	-	-	-	-	-	61,124,897	61,124,897	63,875,103	125,000,000
Balance at 31 March 2020		100,801,317	1,400,591	-	(643,844)	(64,999)	334,189,137	435,682,202	64,576,642	500,258,844

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Note	← Non distributable		→	Distributable	
		Share capital RM	Hedge reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 1 April 2018		100,801,317	(124,007)	(64,999)	212,054,532	312,666,843
Total comprehensive income for the year		-	113,066	-	2,607,913	2,720,979
Dividends paid	34	-	-	-	(5,000,000)	(5,000,000)
Balance at 31 March 2019		100,801,317	(10,941)	(64,999)	209,662,445	310,387,822
Total comprehensive income for the year		-	10,941	-	7,346,129	7,357,070
Dividends paid	34	-	-	-	(5,000,000)	(5,000,000)
Balance at 31 March 2020		100,801,317	-	(64,999)	212,008,574	312,744,892

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	20,597,781	18,660,769	16,093,000	4,361,917
Adjustments for:				
Allowance for doubtful debts	702,780	325,277	617,130	-
Bad debts written off	196,771	3,869	624,899	3,869
Allowance for doubtful debts no longer required	-	(684,561)	-	(390,131)
Depreciation of property, plant and equipment	31,002,867	30,330,078	18,762,059	18,814,531
Depreciation of right-of-use assets	9,677,389	-	8,039,440	-
Gain on disposal of property, plant and equipment	(648,816)	(425,857)	(405,817)	(186,600)
Gain on disposal of non-current assets classified as held for sale	-	(507,040)	-	(507,040)
Gain on bargain purchase arising from acquisition of a subsidiary	-	(553,396)	-	-
Fair value gain on short term investments	(174,436)	(42,995)	-	-
Property, plant and equipment written off	58,618	22,800	58,618	-
Share of results of associated company and joint venture	302,060	341,782	-	-
Interest income	(3,569,988)	(1,324,905)	(2,132,964)	(2,035,793)
Dividend income	-	(36,600)	(4,550,000)	(36,600)
Interest expense	18,347,594	18,428,618	16,056,314	16,189,884
Unrealised gain on foreign exchange	(1,219,222)	(649,991)	(1,219,222)	(576,858)
Operating profit before working capital changes	75,273,398	63,887,848	51,943,457	35,637,179
Changes in receivables	3,898,981	45,235,880	741,615	29,864,609
Changes in payables	(6,923,397)	4,060,301	(3,581,991)	4,729,668
Cash generated from operations	72,248,982	113,184,029	49,103,081	70,231,456
Interest received	1,540,298	982,734	1,395,175	869,997
Net tax (paid)/refund	(3,323,074)	(10,708,062)	378,493	(5,996,535)
Net cash generated from operating activities	70,466,206	103,458,701	50,876,749	65,104,918

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	35	(8,906,592)	(143,300,822)	(5,943,102)	(140,722,824)
Proceeds from disposal of property, plant and equipment		1,569,714	770,710	7,194,052	186,600
Proceeds from disposal of non-current assets classified as held for sale		-	680,000	-	680,000
Placement in short term investments		-	(3,108,757)	-	-
Deposit paid for acquisition of leasehold lands	13	(2,900,910)	(456,600)	-	-
Repayment from/(Advances to) a joint venture	10	2,400,000	(5,480,000)	2,400,000	(5,480,000)
Repayment from/(Advances to) subsidiary companies		-	-	62,322,490	(25,401,222)
Advances to associated company		(40,000)	(10,000)	(40,000)	(10,000)
Interest received		2,029,690	342,171	468,682	1,165,796
Dividends received		-	36,600	4,550,000	36,600
Net cash outflow on acquisition of subsidiaries	39	-	(27,870,768)	-	-
Net cash (used in)/generated from investing activities		(5,848,098)	(178,397,466)	70,952,122	(169,545,050)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		-	126,000,000	-	126,000,000
Drawdown of revolving credits		-	5,000,000	-	5,000,000
Repayment of term loans		(25,585,782)	(27,984,909)	(22,058,667)	(24,718,666)
Repayment of revolving credits		(20,000,000)	(5,000,000)	(20,000,000)	(5,000,000)
Repayment of hire purchase payables		(1,103,723)	(1,582,745)	-	-
Repayment of lease liabilities		(9,433,205)	-	(7,868,262)	-
(Repayment to)/Advances from subsidiary companies		-	-	(1,453,400)	20,563,557
Advances from corporate shareholder of a subsidiary company		5,317,172	-	-	-
Interest paid		(18,232,262)	(18,428,618)	(16,056,314)	(16,189,884)
Dividends paid		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Dividend paid to non-controlling interest of a subsidiary company		(1,950,000)	-	-	-
Proceeds from issuance of shares by a subsidiary to non-controlling interest		125,000,000	-	-	-
Net cash generated from/(used in) financing activities		49,012,200	73,003,728	(72,436,643)	100,655,007

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		113,630,308	(1,935,037)	49,392,228	(3,785,125)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		77,178,635	78,414,856	55,142,024	58,230,950
EFFECT OF EXCHANGE RATE CHANGES		972,508	698,816	972,508	696,199
CASH AND CASH EQUIVALENTS CARRIED FORWARD		191,781,451	77,178,635	105,506,760	55,142,024
Represented by:					
Fixed deposits with licensed banks		78,628,142	16,535,029	54,534,769	12,853,753
Cash and bank balances		113,153,309	60,643,606	50,971,991	42,288,271
		191,781,451	77,178,635	105,506,760	55,142,024

Note (a):

Reconciliation of liabilities arising from financing activities

2020 Group	Term loans RM	Revolving credits RM	Hire purchase payables RM	Lease liabilities RM	Amount owing to corporate shareholder of subsidiary company RM	Total RM
At beginning of financial year	349,783,054	20,000,000	1,332,381	-	-	371,115,435
Cash flows:						
Advances received	-	-	-	-	5,503,172	5,503,172
Repayment of term loans	(25,585,782)	-	-	-	-	(25,585,782)
Repayment of revolving credits	-	(20,000,000)	-	-	-	(20,000,000)
Repayment of hire purchase payables	-	-	(1,103,723)	-	-	(1,103,723)
Repayment of lease liabilities	-	-	-	(9,433,205)	-	(9,433,205)
Repayment of amount owing to corporate shareholder of subsidiary company	-	-	-	-	(186,000)	(186,000)
Interest paid	(17,140,045)	(270,773)	(34,530)	(717,564)	(69,350)	(18,232,262)
Non-cash changes:						
Interest expenses	17,140,045	270,773	34,530	717,564	184,682	18,347,594
Realised gain on hedge of term loans	(846,394)	-	-	-	-	(846,394)
Effect of initial application of MFRS 16 Leases on 1 April 2019 (note 47)	-	-	-	20,929,986	-	20,929,986
Additions of lease liabilities	-	-	-	1,823,500	-	1,823,500
At end of financial year	323,350,878	-	228,658	13,320,281	5,432,504	342,332,321

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

Note (a):

Reconciliation of liabilities arising from financing activities

2020 Company	Term loans RM	Revolving credits RM	Amounts owing to subsidiary companies RM	Lease liabilities RM	Total RM
At beginning of financial year	308,371,728	20,000,000	49,546,753	-	377,918,481
Cash flows:					
Repayment of term loans	(22,058,667)	-	-	-	(22,058,667)
Repayment of revolving credits		(20,000,000)	-	-	(20,000,000)
Repayment to subsidiary companies	-	-	(1,453,400)	-	(1,453,400)
Repayment of lease liabilities	-	-	-	(7,868,262)	(7,868,262)
Interest paid	(15,242,735)	(270,773)	-	(542,806)	(16,056,314)
Non-cash changes:					
Interest expenses	15,242,735	270,773	-	542,806	16,056,314
Realised gain on hedge of term loans	(846,394)	-	-	-	(846,394)
Effect of initial application of MFRS 16 Leases on 1 April 2019 (note 47)	-	-	-	15,414,515	15,414,515
Additions of lease liabilities	-	-	-	371,153	371,153
At end of financial year	285,466,667	-	48,093,353	7,917,406	341,477,426

2019 Group	Term loans RM	Revolving credits RM	Hire purchase payables RM	Total RM
At beginning of financial year	253,032,738	20,000,000	2,915,126	275,947,864
Cash flows:				
Drawdown of term loans	126,000,000	-	-	126,000,000
Drawdown of revolving credits	-	5,000,000	-	5,000,000
Repayment of term loans	(27,984,909)	-	-	(27,984,909)
Repayment of revolving credits	-	(5,000,000)	-	(5,000,000)
Repayment of hire purchase payables	-	-	(1,582,745)	(1,582,745)
Interest paid	(17,500,610)	(812,085)	(115,923)	(18,428,618)
Non-cash changes:				
Interest expenses	17,500,610	812,085	115,923	18,428,618
Unrealised gain on hedge of term loans	(1,264,775)	-	-	(1,264,775)
At end of financial year	349,783,054	20,000,000	1,332,381	371,115,435

The accompanying notes form an integral part of the financial statements

Note (a):

Reconciliation of liabilities arising from financing activities

2019 Company	Term loans RM	Revolving credits RM	Amount owing to subsidiary companies RM	Total RM
At beginning of financial year	208,355,169	20,000,000	28,983,196	257,338,365
Cash flows:				
Drawdown of term loans	126,000,000	-	-	126,000,000
Drawdown of revolving credits	-	5,000,000	-	5,000,000
Repayment of term loans	(24,718,666)	-	-	(24,718,666)
Repayment of revolving credits	-	(5,000,000)	-	(5,000,000)
Advances from subsidiary companies	-	-	20,563,557	20,563,557
Interest paid	(15,377,799)	(812,085)	-	(16,189,884)
Non-cash changes:				
Interest expenses	15,377,799	812,085	-	16,189,884
Unrealised gain on hedge of term loans	(1,264,775)	-	-	(1,264,775)
At end of financial year	308,371,728	20,000,000	49,546,753	377,918,481

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company 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 70.

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 an integrated logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 8 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 financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

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.

(a) Application of new and revised standards

In the current financial year, the Group and the Company have applied a number of new and revised standards and amendments that become effective mandatorily for the financial periods beginning on or after 1 April 2019.

Other than MFRS 16 Leases, the adoption of the amendments and interpretations does not have significant impact on the financial statements of the Group and of the Company. The effects of adopting MFRS 16 Leases is disclosed in note 47 to the financial statements.

(b) New or amended standards issued that are not yet effective

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

		Effective for financial periods beginning on or after
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16	Covid-19 - Related Rent Concessions	1 June 2020

2. BASIS OF PREPARATION (CONT'D)

(b) New or amended standards issued that are not yet effective (Cont'd)

The Group and the Company have not applied the following amendments that have been issued by the MASB and relevant to their operations but are not yet effective (Cont'd):

		Effective for financial periods beginning on or after
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts–Cost of Fulfilling a Contract	1 January 2022
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

The adoption of the above amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

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.

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

Key sources of estimation uncertainty (Cont'd)

(i) Impairment of goodwill (Cont'd)

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 2020 is disclosed in note 7 to the financial statements.

(ii) Impairment of trade receivables

Management assesses the expected credit losses ("ECL") for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies the simplified approach of MFRS 9 Financial Instruments in assessing the ECL for trade receivables.

In determining the ECL, management uses the historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management also considers, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors, including the impact of Covid-19 outbreak, will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily based upon the recent credit loss circumstances and foreseeable Covid-19 related impact on the industry and the country's economics.

The carrying amount of trade receivables is disclosed in note 43 to the financial statements.

(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 2020 are disclosed in note 5 to the financial statements.

(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.

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

Key sources of estimation uncertainty (Cont'd)

(iv) Income taxes (Cont'd)

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 2020 were RM2,014,561 and RM626,868 (2019: RM12,255,228 and RM10,908,767) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2020 were RM24,279,700 and RM9,341,996 (2019: RM27,151,803 and RM10,498,531) respectively.

(v) Lease liability

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amounts of lease liabilities are disclosed in note 6 to the financial statements.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

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.

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

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combination (Cont'd)

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.

(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 associate or joint venture are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associate 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 associate or joint venture are recognised in the consolidated profit or loss and consolidated statement of comprehensive income respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 associate or joint venture are eliminated to the extent of the Group's interest in the associate 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 associate 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 associate and joint venture are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

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

(e) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) 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:

	%
Freehold building	2
Leasehold building	1 - 3 or over the remaining period of lease
Leasehold land	Over period of lease
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.

(f) Impairment of 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of 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, right-of-use assets, investments in subsidiaries, associate and joint venture

Other non-financial assets are assessed at each reporting date to determine whether there is any indication of impairment.

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

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

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

(g) 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. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Financial assets (Cont'd)

(i) Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

(ii) Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

(iii) Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Financial assets (Cont'd)

(iv) Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

(v) Impairment of financial assets

Loss allowance is recognised for ECL for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

(vi) Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Financial assets (Cont'd)

(vi) Derecognition of financial assets (Cont'd)

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated as at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Financial Liabilities (Cont'd)

(i) Financial liabilities at FVTPL (Cont'd)

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income ("OCI"), unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

(ii) Financial liabilities at amortised cost

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

(iii) Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(h) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future those cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Revenue and income recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. There is no element of significant financing component on the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days.

(i) Revenue from transportation is recognised over time when customer simultaneously receives and consumes the benefits provided by the Group's performance based on the actual service provided to the end of the reporting period.

(ii) Revenue from freight forwarding and warehousing are recognised in profit and loss at a point in time once the service has been completed and the Group has an enforceable right to payment for performance completed to date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Revenue and income recognition (Cont'd)

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

(iv) Forwarding agency commission is recognised as and when services are completed.

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

Other income are recognised as follows:

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

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

(j) Foreign currencies

(i) Transactions and balances in foreign currencies

Foreign currencies are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

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

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

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

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(ii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transaction dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within other comprehensive income. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in profit or loss as part of the gain or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Leases

The Group and the Company recognised and measured their leases in accordance with MFRS 16 Leases effective from 1 April 2019. The financial impact to the Group's and the Company's financial statements on initial adoption of MFRS 16 Leases is disclosed in note 47 to the financial statements.

Recognition and measurement in financial year ended 31 March 2020

The Group as lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liabilities comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liabilities, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

The Group as lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Recognition and measurement before 1 April 2019

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Leases (Cont'd)

Recognition and measurement before 1 April 2019 (Cont'd)

(i) Finance lease

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

Property, plant and equipment acquired by way of finance leases are stated at amount 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 leases, if this is determined; if not the Group's incremental borrowing rate is used.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or investment properties.

(ii) Operating lease

An operating lease is a lease other than a finance lease. Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight-line basis over the period of the lease.

Leasehold land which in substance is an operating lease is classified as prepaid lease payment.

(l) 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.

(m) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the financial period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Taxation

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

(i) Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

(ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

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

(i) goodwill, or

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

Deferred taxes 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 the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

(o) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) 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. The management team monitors the financial performance from the Group's perspective and performs regular review to assess the achievability of the performance at end of each reporting period.

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.

(q) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement.

Fair value measurements are categorised as follows:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

5. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Freehold land and buildings	Leasehold buildings	Leasehold land	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Total
Cost	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2019	131,835,583	208,343,779	134,095,904	112,068,822	57,878,273	34,713,037	57,110,185	736,045,583
Additions	387,818	-	-	2,983,306	1,280,406	2,203,531	2,816,929	9,671,990
Disposals	-	-	-	(7,028,250)	(582,680)	(527,548)	(719,095)	(8,857,573)
Write offs	-	-	-	(66,574)	-	(16,582)	(62,357)	(145,513)
Exchange differences	-	-	-	-	-	39,731	-	39,731
At 31 March 2020	132,223,401	208,343,779	134,095,904	107,957,304	58,575,999	36,412,169	59,145,662	736,754,218
Accumulated depreciation								
At 1 April 2019	3,627,417	37,391,449	7,426,737	85,027,646	23,237,730	21,350,660	32,465,592	210,527,231
Charge for the year	1,967,743	4,399,821	1,746,191	9,161,982	5,645,092	2,887,327	5,194,711	31,002,867
Disposals	-	-	-	(7,026,248)	(580,747)	(191,445)	(138,235)	(7,936,675)
Write offs	-	-	-	(66,574)	-	(9,407)	(10,914)	(86,895)
Exchange differences	-	-	-	-	-	335	-	335
At 31 March 2020	5,595,160	41,791,270	9,172,928	87,096,806	28,302,075	24,037,470	37,511,154	233,506,863
Net carrying amount								
At 31 March 2020	126,628,241	166,552,509	124,922,976	20,860,498	30,273,924	12,374,699	21,634,508	503,247,355

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

Group 2019	Freehold land and buildings RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
Cost								
At 1 April 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
Acquisition of subsidiaries (note 39(a))	16,271,072	-	-	-	10,187,515	51,363	-	26,509,950
Additions	24,594	47,217,773	70,866,657	11,369,593	1,427,103	5,266,901	7,128,201	143,300,822
Disposals	-	-	-	(2,718,504)	(154,630)	(11,112)	(486,116)	(3,370,362)
Write offs	-	-	-	(415,858)	-	(84,754)	-	(500,612)
Reclassifications	-	(187,059)	187,058	-	(105,137)	(186,514)	291,652	-
Exchange differences	-	-	-	-	-	9,351	8,244	17,595
At 31 March 2019	131,835,583	208,343,779	134,095,904	112,068,822	57,878,273	34,713,037	57,110,185	736,045,583
Accumulated depreciation								
At 1 April 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
Charge for the year	1,959,281	4,180,059	1,603,788	9,493,695	5,624,358	2,513,627	4,955,270	30,330,078
Disposals	-	-	-	(2,718,501)	(114,177)	(10,871)	(181,960)	(3,025,509)
Write offs	-	-	-	(393,058)	-	(84,754)	-	(477,812)
Reclassifications	17,155	(16,763)	35,662	(536)	(111,670)	92,756	(16,604)	-
Exchange differences	-	-	-	-	-	2,687	2,259	4,946
At 31 March 2019	3,627,417	37,391,449	7,426,737	85,027,646	23,237,730	21,350,660	32,465,592	210,527,231
Net carrying amount								
At 31 March 2019	128,208,166	170,952,330	126,669,167	27,041,176	34,640,543	13,362,377	24,644,593	525,518,352

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

Company 2020 Cost	Freehold land and buildings RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
At 1 April 2019	3,861,606	159,784,921	114,973,660	98,897,306	18,381,566	33,500,083	56,833,567	486,232,709
Additions	-	-	-	2,983,306	77,799	1,149,638	2,497,757	6,708,500
Disposals	-	-	-	(2,941,247)	(1,216,192)	(3,417,394)	(3,486,336)	(11,061,169)
Write offs	-	-	-	-	-	(16,582)	(62,357)	(78,939)
At 31 March 2020	3,861,606	159,784,921	114,973,660	98,939,365	17,243,173	31,215,745	55,782,631	481,801,101
Accumulated depreciation								
At 1 April 2019	559,009	20,048,635	6,177,881	75,582,767	16,178,483	20,841,976	32,292,825	171,681,576
Charge for the year	64,171	3,216,923	1,452,276	6,455,017	786,146	1,937,697	4,849,829	18,762,059
Disposals	-	-	-	(2,939,246)	(724,583)	(288,835)	(320,270)	(4,272,934)
Write offs	-	-	-	-	-	(9,407)	(10,914)	(20,321)
At 31 March 2020	623,180	23,265,558	7,630,157	79,098,538	16,240,046	22,481,431	36,811,470	186,150,380
Net carrying amount								
At 31 March 2020	3,238,426	136,519,363	107,343,503	19,840,827	1,003,127	8,734,314	18,971,161	295,650,721

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

Company 2019	Freehold land and buildings RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
Cost								
At 1 April 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
Additions	-	47,217,773	70,866,657	10,110,525	482,817	4,916,851	7,128,201	140,722,824
Disposals	-	-	-	(1,012,017)	(113,140)	(3,900)	-	(1,129,057)
Write offs	-	-	-	-	-	(84,754)	-	(84,754)
Reclassifications	-	(187,059)	187,058	-	(105,137)	(186,514)	291,652	-
At 31 March 2019	3,861,606	159,784,921	114,973,660	98,897,306	18,381,566	33,500,083	56,833,567	486,232,709
Accumulated depreciation								
At 1 April 2018	487,478	17,043,103	4,856,966	70,288,528	15,308,177	18,636,787	27,459,817	154,080,856
Charge for the year	54,376	3,022,295	1,285,253	6,306,792	1,095,116	2,201,087	4,849,612	18,814,531
Disposals	-	-	-	(1,012,017)	(113,140)	(3,900)	-	(1,129,057)
Write offs	-	-	-	-	-	(84,754)	-	(84,754)
Reclassifications	17,155	(16,763)	35,662	(536)	(111,670)	92,756	(16,604)	-
At 31 March 2019	559,009	20,048,635	6,177,881	75,582,767	16,178,483	20,841,976	32,292,825	171,681,576
Net carrying amount								
At 31 March 2019	3,302,597	139,736,286	108,795,779	23,314,539	2,203,083	12,658,107	24,540,742	314,551,133

As at 31 March 2020, net carrying amount of property, plant and equipment of the Group and of the Company include right-of-use assets of RM292,404,398 and RM243,862,866 (2019: RM299,642,896 and RM248,532,065) respectively, which are presented together with the owned assets of the same class as the underlying assets.

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	
	2020 RM	2019 RM
Net carrying amount:		
- Motor vehicles	874,330	1,271,832
- Plant and machinery	54,583	749,567
	928,913	2,021,399

As of 31 March 2020, the following assets are charged to licensed banks as security for bank term loans, as disclosed in note 23:

	Group	
	2020 RM	2019 RM
Net carrying amount:		
- Freehold land and buildings	72,550,532	73,530,381

Title deed of a leasehold land with net carrying amount of RM1,822,977 (2019: RM1,842,181) has yet to be issued in or transferred to the name of the Company.

6. LEASES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Right-of-use assets				
Cost				
At 1 April	-	-	-	-
Effect of initial application of MFRS 16 Leases on 1 April 2019 (note 47)	20,929,986	-	15,414,515	-
Additions	1,823,500	-	371,153	-
At 31 March	22,753,486	-	15,785,668	-
Accumulated depreciation				
At 1 April	-	-	-	-
Charge for the year	9,677,389	-	8,039,440	-
At 31 March	9,677,389	-	8,039,440	-
Net carrying amount At 31 March	13,076,097	-	7,746,228	-
Right-of-use assets at the end of the financial period comprise of:				
Properties	7,713,997	-	7,713,996	-
Motor vehicles	5,329,868	-	-	-
Plant and machinery	32,232	-	32,232	-
	13,076,097	-	7,746,228	-
Lease liabilities				
- Current	9,046,505	-	7,311,653	-
- Non-current	4,273,776	-	605,753	-
	13,320,281	-	7,917,406	-

6. LEASES (CONT'D)

The leases of properties, motor vehicles and plant and machinery are typically made for periods of 2 to 5 years. The lessors do not impose any covenants.

The lease payments associated with short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group and the Company is committed to RM24,049,361 (2019: RM29,835,056) and RM21,743,243 (2019: RM32,596,665) for short-term leases.

Total cash outflows for the Group and the Company for leases during the current financial year (including fixed and short-term lease payments) amounted to RM40,246,938 (2019: RM39,888,465) and RM36,200,619 (2019: RM40,899,814) respectively.

7. GOODWILL

	Group	
	2020 RM	2019 RM
Goodwill on consolidation	81,864,054	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.

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

Pre-tax discount rate(1)	8% (2019: 12%)
Revenue growth	
- within next 1 to 4 years	5% (2019: 5%)
- within next 5 to 10 years	3% (2019: 3%)
Terminal growth rate(2)	1% (2019: 1%)

(1) The pre-tax 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 2020.

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2020 RM	Company 2019 RM
Unquoted shares, at cost		
- in Malaysia	107,689,939	38,429,939
- outside Malaysia	230,000	230,000
	107,919,939	38,659,939
Less: Impairment losses	(230,000)	(230,000)
	107,689,939	38,429,939

Details of the subsidiary companies are as follows:

	Equity interest 2020 %	Equity interest 2019 %	Country of incorporation	Principal activities
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental and logistics services
Trans-Asia Shipping Pte Ltd*	100	100	Singapore	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Warehousing
Titian Pelangi Sdn Bhd	100	100	Malaysia	Warehousing
Omega Saujana Sdn Bhd	51	51	Malaysia	Freight forwarding services
Tasco Yusen Gold Cold Sdn Bhd (“TYGC”)	70	100	Malaysia	Investment holding
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Freight forwarding services
Meriah Selalu Sdn Bhd	100	100	Malaysia	Operating container depot and providing services of storing, handling, cleaning and repairing of containers

Subsidiaries of TYGC

	Equity interest 2020 %	Equity interest 2019 %	Country of incorporation	Principal activities
Gold Cold Transport Sdn Bhd	100	100	Malaysia	Transportation, provision of cold room facilities, repackaging and value added facilities services

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiaries of TYGC

	Equity interest 2020 %	Equity interest 2019 %	Country of incorporation	Principal activities
GC Logistics Sdn Bhd	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Integrated Logistics Sdn Bhd	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Solutions Sdn Bhd	100	100	Malaysia	Providing logistics services, transportation, warehousing distribution and marketing of goods.

* *Audited by a member firm of Mazars in Singapore*

Subsidiaries that have material non-controlling interests

Details of the Group's subsidiaries that have material non-controlling interests at the reporting date:

Name of subsidiary	**Place of incorporation and operation**	**Proportion of ownership interests held by non-controlling interests**		**Profit for the year allocated to non-controlling interests**		**Carrying amount of non-controlling interests**	
		2020 %	**2019 %**	**2020 RM**	**2019 RM**	**2020 RM**	**2019 RM**
TYGC	Malaysia	30	-	719,731	-	62,644,833	-
Other immaterial entities						1,931,809	1,636,706
						64,576,642	1,636,706

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiaries that have material non-controlling interests (Cont'd)

Summarised financial information of the subsidiaries that have material non-controlling interests (amounts before intra-group elimination):

	2020 RM	2019 RM
TYGC		
Non-current assets	248,332,754	-
Current assets	118,089,195	-
Non-current liabilities	(76,741,381)	-
Current liabilities	(80,864,459)	-
Net assets	208,816,109	-
Revenue	117,816,535	-
Profit for the year	3,317,210	-
Dividend paid to non-controlling interests	(1,950,000)	-
Net cash flows from operating activities	15,139,720	-
Net cash flows used in investing activities	(2,530,729)	-
Net cash flows from financing activities	49,692,278	-
Net changes in cash and cash equivalents	62,301,269	-

9. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares, at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of results	47,985	214,853	-	-
	3,047,985	3,214,853	3,000,000	3,000,000

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

	Equity interest 2020 %	Equity interest 2019 %	Principal activities
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Letting of property

The financial year end of AESSB is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the audited financial statements of AESSB for the year ended 31 December 2019 have been used.

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

	2020 RM	2019 RM
Group's share of results	(166,868)	(286,909)

9. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

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

	2019 RM	2018 RM
Non-current assets	8,359,446	8,801,702
Current assets	340,535	367,164
Non-current liabilities	(1,729,434)	(1,865,575)
Current liabilities	(874,576)	(818,454)
Net assets	6,095,971	6,484,837
Revenue	-	-
Loss for the year	(333,735)	(573,819)

The amount owing by associated company comprises:

	Group/Company	
	2020 RM	2019 RM
Non-trade balances	4,800	4,800
Non-interest bearing advances	50,000	10,000
	54,800	14,800

The balances are unsecured, receivable on demand and denominated in RM.

10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares, at cost	400,000	400,000	400,000	400,000
Equity contribution	3,080,000	3,600,000	3,080,000	3,600,000
Group's share of results	(191,020)	(55,828)	-	-
	3,288,980	3,944,172	3,480,000	4,000,000

The Group and the Company deemed interest free advances amounting to RM3,080,000 (2019: RM3,600,000) to the joint venture as equity contribution from shareholder and thus, do not expect repayment in the next 12 months.

Details of the joint venture, which is incorporated in Malaysia is as follows:

	Equity interest 2020 %	Equity interest 2019 %	Principal activities
YLTC Sdn Bhd ("YLTC")	40	40	Trading, distribution and logistics

The joint venture is accounted for using the equity method in the consolidated financial statements.

The financial year end of YLTC is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the audited financial statements of YLTC for the year ended 31 December 2019 have been used.

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

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

	2020 RM	2019 RM
Group's share of results	(135,192)	(54,873)

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

	2019 RM	2018 RM
Non-current assets	545,090	99,932
Current assets	29,963,526	25,083,376
Current liabilities	(29,986,169)	(24,286,105)
Net assets	522,447	897,203
Revenue	96,427,624	16,574,219
Loss for the year	(337,980)	(137,183)

The amount owing by joint venture comprise:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade accounts	833,671	1,377,330	241,176	1,377,330
Non-interest bearing advances	-	1,880,000	-	1,880,000
	833,671	3,257,330	241,176	3,257,330

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

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

The amount owing by joint venture is denominated in RM.

11. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2020 RM	2019 RM
Current:		
Trade accounts	3,136,543	428,201
Advances		
- non-interest bearing	92,441,291	236,430,515
- interest bearing at 5.46% (2019: nil) per annum	868,000	-
Interest receivable	269,107	-
	96,714,941	236,858,716
Non-current:		
Advances		
- interest bearing at 5.46% (2019: nil) per annum	11,538,734	-
	108,253,675	236,858,716

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

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

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

The interest bearing advances are unsecured and receivable with 30 semi-annual instalments, commenced on 7 November 2019.

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

	Company	
	2020 RM	2019 RM
- RM	108,253,675	236,370,108
- Singapore Dollar	-	488,608
	108,253,675	236,858,716

The amounts owing to subsidiary companies comprise:

	Company	
	2020 RM	2019 RM
Trade accounts	10,731,943	8,451,052
Non-interest bearing advances	48,093,353	49,546,753
	58,825,296	57,997,805

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

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

The amounts owing to subsidiary companies are denominated in RM.

12. TRADE RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Gross trade receivables	116,213,529	113,331,173	90,745,894	87,555,907
Allowance for doubtful debts	(1,698,873)	(996,093)	(1,222,890)	(605,760)
	114,514,656	112,335,080	89,523,004	86,950,147

12. TRADE RECEIVABLES (CONT'D)

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
- RM	110,125,825	106,559,885	84,658,190	80,793,810
- US Dollar	4,047,555	5,889,153	4,047,555	5,889,153
- Singapore Dollar	1,474,077	147,129	1,474,077	137,938
- Thai Baht	482,838	734,890	482,838	734,890
- Euro	83,234	116	83,234	116
	116,213,529	113,331,173	90,745,894	87,555,907

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	
	2020 RM	2019 RM	2020 RM	2019 RM
Other receivables	2,950,351	7,609,386	2,221,768	6,468,533
Deposits paid for the proposed acquisition of leasehold land (note 46(c))	3,357,510	456,600	-	-
Deposits	6,760,419	7,073,029	6,333,337	7,159,532
Prepayments	5,587,915	6,274,588	3,787,846	4,182,128
Goods and Services Tax ("GST") recoverable	2,052	116,736	-	-
	18,658,247	21,530,339	12,342,951	17,810,193

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
- RM	9,710,770	14,667,561	8,555,105	13,628,065
- Singapore Dollar	-	14,854	-	-
	9,710,770	14,682,415	8,555,105	13,628,065

14. DERIVATIVE FINANCIAL ASSETS

	Group/Company	
	Notional amount RM	Derivative financial assets RM
2020		
Foreign currency swaps	-	-
2019		
Foreign currency swaps	5,227,453	835,453

The foreign currency swaps which are designed as cash flow hedges are used to manage the foreign currency exposure arising from the US Dollar bank term loans disclosed in note 23 to the financial statements.

15. 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	
	2020	**2019**
	RM	**RM**
- RM	2,030,879	1,624,612
- US Dollar	1,977,777	1,835,153
- Singapore Dollar	88,876	186,017
- Japanese Yen	4,788	4,116
	4,102,320	3,649,898

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

	Group/Company	
	2020	**2019**
	RM	**RM**
- RM	5,784	28,384
- Japanese Yen	877,859	1,030,397
- US Dollar	704,906	515,381
	1,588,549	1,574,162

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	
	2020	**2019**
	RM	**RM**
- RM	2,552,869	3,673,185
- US Dollar	3,901,539	3,633,848
- Singapore Dollar	43,859	34,397
- Thai Baht	4,906	17,242
- Euro	84,431	85,397
	6,587,604	7,444,069

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

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

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

	Group/Company	
	2020	**2019**
	RM	**RM**
RM	115,586	133,121
Singapore Dollar	338,060	999,099
US Dollar	3,030,619	2,761,607
Thai Baht	75,298	95,981
Australian Dollar	7,571	28,339
Chinese Yuan Renminbi	430,850	328,173
Euro	301,040	275,628
Great Britain Pound	360,169	136,521
Hong Kong Dollar	495,040	252,422
South Korean Won	71,291	229,812
New Taiwan Dollar	30,393	28,360
Others	84,366	16,871
	5,340,283	5,285,934

17. SHORT TERM INVESTMENTS

	Group	
	2020	**2019**
	RM	**RM**
Designated at FVTPL		
Unit Trust funds in Malaysia	5,329,513	5,155,077

18. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the Group's and of the Company's deposits ranged between 2.05% to 3.83% (2019: 2.95% to 3.20%) per annum. All the deposits have maturities of three months or less.

19. CASH AND BANK BALANCES

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
- RM	65,655,845	33,220,242	4,294,183	15,901,780
- US Dollar	43,767,047	23,266,607	43,767,047	23,266,607
- Singapore Dollar	3,728,465	4,122,329	2,908,809	3,085,456
- Thai Baht	1,952	34,428	1,952	34,428
	113,153,309	60,643,606	50,971,991	42,288,271

20. SHARE CAPITAL

	2020 Number of shares	RM	2019 Number of shares	RM
Issued and fully paid:				
At beginning/end of financial year	200,000,000	100,801,317	200,000,000	100,801,317

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

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

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

(a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

(b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:

(i) shall have attained the age of eighteen (18) years by the Date of Offer;

(ii) must fall within such other categories and criteria that the ESOS Committee may decide from time to time at its absolute discretion;

(iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.

(c) The maximum number of options to be offered to each eligible employee shall be at the discretion of the ESOS Committee. In exercising its discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each eligible employee, subject to the following:

(i) there should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the ESOS should be allocated, in aggregate, to executive directors and senior management.

(ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company.

For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an eligible employee" or "persons connected with a director" shall have the same meaning given in relation to persons connected with a director or major shareholder.

(d) The price at which the grantee is entitled to subscribe for each new share shall be based on five (5) days weighted average market price of the Shares in the Company preceding the Date of Offer, with a discount that does not exceed ten per cent (10%) or at the par value of the shares, whichever is higher.

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):

(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.

21. AMOUNT OWING TO CORPORATE SHAREHOLDER OF SUBSIDIARY COMPANY

	Group	
	2020 RM	**2019 RM**
Current:		
Advances		
- interest bearing at 5.46% (2019: nil) per annum	372,000	-
Interest payable	115,332	-
	487,332	-
Non-current:		
Advances		
- interest bearing at 5.46% (2019: nil) per annum	4,945,172	-
	5,432,504	-

The interest bearing advances are unsecured and repayable with 30 semi-annual instalments, commenced on 7 November 2019.

The amount owing to corporate shareholder of subsidiary company is denominated in RM.

22. HIRE PURCHASE PAYABLES

	Group	
	2020 RM	2019 RM
Future instalments payable		
- not later than one year	222,113	1,138,253
- later than one year but not later than five years	11,579	231,392
Total future instalments payable	233,692	1,369,645
Unexpired term charges	(5,034)	(37,264)
Total outstanding principal	228,658	1,332,381
Outstanding principal:		
- not later than one year *(included under current liabilities)*	(218,485)	(1,127,770)
- later than one year but not later than five years *(included under non-current liabilities)*	10,173	204,611

The interest rates of hire purchase payables are ranged between 2.93% to 2.95% (2019: 2.93% to 3.20%) per annum.

23. BANK TERM LOANS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
The bank term loans are repayable as follows:				
(included under current liabilities)				
- not later than one year	78,180,944	60,187,112	72,766,664	54,771,728
(included under non-current liabilities)				
- later than one year but not later than five years	164,302,161	191,876,920	137,316,656	164,800,000
- more than five years	80,867,773	97,719,022	75,383,347	88,800,000
	245,169,934	289,595,942	212,700,003	253,600,000
	323,350,878	349,783,054	285,466,667	308,371,728

The currency exposure profile of bank term loans are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
- RM	323,350,878	344,544,659	285,466,667	303,133,333
- US Dollar	-	5,238,395	-	5,238,395
	323,350,878	349,783,054	285,466,667	308,371,728

Bank term loans of the Group amounting to RM37,884,211 (2019: RM41,411,326) are secured by legal charged over the freehold land, buildings and warehouses of a subsidiary company and guarantee by the Company.

23. BANK TERM LOANS (CONT'D)

The details of the bank term loans are as follows:

Principal Amount RM	Monthly Instalment RM	Commencing date	Interest rate per annum	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
10,000,000	183,333	19 May 2014	4.56% fixed rate	-	811,953	-	811,953
10,000,000	116,667	10 October 2014	4.61% fixed rate	-	1,283,718	-	1,283,718
7,000,000	166,667	07 November 2014	4.61% fixed rate	-	631,734	-	631,734
10,000,000	196,000	24 February 2015	4.60% fixed rate	-	689,877	-	689,877
2,000,000	35,000	28 April 2015	4.60% fixed rate	-	372,907	-	372,907
8,000,000	140,000	28 April 2015	4.60% fixed rate	-	1,448,206	-	1,448,206
14,000,000	116,667	29 March 2017	4.88% fixed rate	9,800,000	11,200,000	9,800,000	11,200,000
18,000,000	100,000	20 June 2017	4.93% fixed rate	14,700,000	15,900,000	14,700,000	15,900,000
50,000,000	1,388,889	07 July 2017	4.69% fixed rate	50,000,000	50,000,000	50,000,000	50,000,000
50,000,000	833,333	07 July 2017	4.86% fixed rate	50,000,000	50,000,000	50,000,000	50,000,000
52,000,000	433,333	07 July 2017	4.99% fixed rate	52,000,000	52,000,000	52,000,000	52,000,000
10,000,000	55,556	17 August 2017	4.985% fixed rate	8,166,667	8,833,333	8,166,667	8,833,333
126,000,000	1,200,000	25 May 2018	5.46% fixed rate	100,800,000	115,200,000	100,800,000	115,200,000
22,000,000	209,912	04 January 2010	BLR – 1.80%	13,248,651	14,621,924	-	-
7,089,000	54,593	01 December 2011	BLR – 2.00%	3,844,800	4,308,726	-	-
12,640,000	97,342	01 December 2011	BLR – 2.00%	8,871,278	9,603,809	-	-
1,500,000	11,522	04 January 2010	BLR – 2.00%	1,064,647	1,150,534	-	-
170,880	1,082	01 December 2015	BLR – 2.00%	148,197	154,029	-	-
166,680	1,056	01 December 2015	BLR – 2.00%	144,552	150,243	-	-
167,280	1,060	01 December 2015	BLR – 2.00%	145,079	150,784	-	-
167,880	1,063	01 December 2015	BLR – 2.00%	145,597	151,325	-	-
169,680	1,075	01 December 2015	BLR – 2.00%	147,161	152,947	-	-
170,280	1,079	01 December 2015	BLR – 2.00%	147,679	153,488	-	-
12,000,000	110,086	01 February 2017	BLR – 2.00%	9,976,570	10,813,517	-	-
				323,350,878	349,783,054	285,466,667	308,371,728

24. DEFERRED TAX LIABILITIES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At the beginning of the year	26,352,102	23,951,829	10,498,531	8,320,080
Acquisition of subsidiaries (note 39(a))	-	1,004,486	-	-
Recognised in profit or loss	(2,397,796)	1,395,787	(1,156,535)	2,178,451
At the end of the year	23,954,306	26,352,102	9,341,996	10,498,531

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Tax effects of:				
- excess of capital allowances over accumulated depreciation on property, plant and equipment	16,555,650	18,001,627	9,190,055	10,837,817
- fair value adjustment arising from acquisition of subsidiaries	8,034,326	8,906,677	-	-
- allowance for doubtful debts	(378,160)	(214,395)	(293,493)	(145,383)
- unrealised gain/(loss) on foreign exchange	486,517	(193,903)	486,517	(193,903)
- leases	(51,332)	-	(41,083)	-
- other temporary differences	(692,695)	(147,904)	-	-
	23,954,306	26,352,102	9,341,996	10,498,531

25. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
- RM	46,109,490	47,803,204	37,427,310	39,410,250
- Singapore Dollar	10,195	14,598	10,195	10,709
- Thai Baht	519,733	447,901	519,733	447,901
- US Dollar	65,002	249,963	65,002	249,963
- Japanese Yen	10,152	3,285	10,152	3,285
- Euro	45,486	15,813	45,486	15,813
- New Zealand Dollar	236	236	236	236
	46,760,294	48,535,000	38,078,114	40,138,157

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

26. OTHER PAYABLES, DEPOSITS AND ACCRUALS

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
- RM	28,849,507	32,645,396	26,511,047	29,606,534
- Singapore Dollar	-	3,889	-	-
	28,849,507	32,649,285	26,511,047	29,606,534

27. REVOLVING CREDITS

The revolving credits bear interest rates at 4.21% (2019: 4.21%) per annum. The revolving credits have maturities of one month (2019: one month) and are unsecured.

28. REVENUE

The Group and the Company derives its revenue from contracts with customers for the transfer of services over time and at a point of time and consistent with the revenue information that is disclosed for each reportable segment.

The information on the disaggregation of revenue is disclosed in note 45 to the financial statements.

29. OTHER INCOME

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Gross dividends from				
- subsidiaries	-	-	4,550,000	-
- unquoted investments	-	36,600	-	36,600
Interest income	3,569,988	1,324,905	2,132,964	2,035,793
Fair value gain on short term investments	174,436	42,995	-	-
Gain on disposal of property, plant and equipment	648,816	425,857	405,817	186,600
Gain on disposal of non-current asset held for sale	-	507,040	-	507,040
Realised gain on foreign exchange	551,992	206,793	528,537	206,793
Unrealised gain on foreign exchange	1,219,222	649,991	1,219,222	576,858
Lease income from land and buildings	23,625	63,875	23,625	23,625
Allowance for doubtful debts no longer required	-	684,561	-	390,131
Sundry income	786,283	991,473	1,353,814	853,943
Bad debts recovered	69,883	-	63,043	-
	7,044,245	4,934,090	10,277,022	4,817,383

30. PROFIT FROM OPERATIONS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	259,366	300,463	103,877	101,850
- review of quarterly financial statements	73,670	69,500	73,670	69,500
- other assurance service	5,300	5,000	5,300	5,000
Allowance for doubtful debts	702,780	325,277	617,130	-
Bad debts written off	196,771	3,869	624,899	3,869
Depreciation of property, plant and equipment	31,002,867	30,330,078	18,762,059	18,814,531
Depreciation of right-of-use assets	9,677,389	-	8,039,440	-
Legal and professional fees	13,485,298	7,087,102	13,240,034	6,852,478
Operating lease rentals				
- land and buildings	-	17,588,384	-	18,768,458
- trucks	-	15,434,297	-	11,026,646
- forklifts	-	4,782,468	-	3,549,086
- office equipment	-	2,083,316	-	7,555,624
Property, plant and equipment written off	58,618	22,800	58,618	-
Realised loss on foreign exchange	-	8,451	-	-
Lease expenses for short-term leases				
- land and buildings	11,170,154	-	11,170,154	-
- trucks	15,762,797	-	13,702,004	-
- forklifts	2,760,062	-	2,558,351	-
- office equipment	403,156	-	359,042	-
And crediting:				
Gain on bargain purchase arising from acquisition (note 39(a))	-	553,396	-	-

31. FINANCE COSTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Interest expense on:				
- bank term loans	17,140,045	17,500,610	15,242,735	15,377,799
- revolving credits	270,773	812,085	270,773	812,085
- hire purchase payables	34,530	115,923	-	-
- lease liabilities	717,564	-	542,806	-
- amount owing to corporate shareholder of subsidiary company	184,682	-	-	-
	18,347,594	18,428,618	16,056,314	16,189,884

32. TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Malaysian tax based on results for the year				
- current	10,160,487	5,466,241	7,068,231	1,449,973
- deferred	(1,551,775)	958,011	(788,406)	1,740,676
	8,608,712	6,424,252	6,279,825	3,190,649
Real property gains tax	-	21,203	-	21,203
Under/(Over) provision in prior year				
- current	2,928,947	(1,587,468)	2,835,175	(1,895,623)
- deferred	(846,021)	437,776	(368,129)	437,775
- real property gains tax	-	(16,632)	-	-
	10,691,638	5,279,131	8,746,871	1,754,004

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	
	2020 RM	2019 RM	2020 RM	2019 RM
Accounting profit (excluding share of results in associate company and joint venture)	20,899,841	19,002,551	16,093,000	4,361,917
Taxation at applicable statutory tax rate of 24%	5,015,962	4,560,612	3,862,320	1,046,860
Tax effects arising from:				
- non-deductible expenses	5,267,216	1,025,503	3,531,400	2,274,414
- non-taxable income	(1,813,457)	(2,559,455)	(1,113,895)	(130,625)
Deferred tax benefits not recognised	139,562	3,309,137	-	-
Real property gain tax	-	21,203	-	21,203
Effect of different tax rate in another country	(571)	88,455	-	-
Under/(Over) provision in prior year	2,082,926	(1,166,324)	2,467,046	(1,457,848)
	10,691,638	5,279,131	8,746,871	1,754,004

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unutilised tax losses	21,323,388	17,061,679	-	-
Unabsorbed capital allowance	9,089,935	11,146,725	-	-
Temporary differences arose from				
- property, plant and equipment	(3,957,323)	(1,926,383)	-	-
- others	407,530	-	-	-
	26,863,530	26,282,021	-	-

32. TAX EXPENSE (CONT'D)

Pursuant to the relevant tax regulations, the unutilised tax losses will expire as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Without expiry	13,938,788	13,879,271	-	-
Expire in 2026	3,122,891	3,182,408	-	-
Expire in 2027	4,261,709	-	-	-
	21,323,388	17,061,679	-	-

33. 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 RM8,891,310 (2019: RM13,063,242) by the number of ordinary shares issued of 200,000,000 (2019: 200,000,000).

34. DIVIDENDS

	2020 RM	2019 RM
In respect of the financial year ended 31 March 2018:		
- Single-tier dividend of 2.50 sen per share	-	5,000,000
In respect of the financial year ended 31 March 2019:		
- Single-tier dividend of 2.50 sen per share	5,000,000	-
	5,000,000	5,000,000

On 18 June 2020, the directors declared a single-tier dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of the financial year ended 31 March 2020.

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Aggregate cost of property, plant and equipment acquired (Note 5)	9,671,990	143,300,822	6,708,500	140,722,824
Unpaid balance included under others payables	(765,398)	-	(765,398)	-
Total cash paid during the financial year	8,906,592	143,300,822	5,943,102	140,722,824

36. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Employee benefits expense	132,944,026	132,021,153	76,541,011	72,411,562

Included in the employee benefits expense are EPF contributions amounting to RM10,005,767 (2019: RM9,880,059) for the Group and RM4,488,919 (2019: RM4,296,532) for the Company.

37. 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.

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

	--- Transaction value --- Company		-- Balance outstanding -- Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Transactions with subsidiary companies				
Rental of trucks paid and payable	358,180	431,900	96,350	2,685,013
Labour charges paid and payable	33,473,987	39,239,123	8,406,903	4,110,321
Rental of premises paid and payables	4,642,496	4,489,955	1,992,355	1,575,312
Maintenance charges paid and payable	-	76,920	-	9,990
Handling fees paid and payable	4,233,754	58,994	103,469	-
Related logistic services paid and payable	535,140	489,685	132,866	70,416
Handling fees received and receivable	154,883	60,000	224,398	-
Related logistics services received and receivable	11,035,016	3,747,796	2,697,754	134,104
Rental of trucks received and receivable	2,430,574	2,491,000	181,900	294,097
Interest received and receivable	737,589	1,165,796	269,107	-
Labour charges received and receivable	252,000	-	21,000	-
Rental of premises received and receivable	137,898	-	11,491	-
Sales of property, plant and equipment	6,168,712	-	-	-
Advances to subsidiary companies	12,840,734	-	12,406,734	-

37. RELATED PARTY DISCLOSURES (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM	2020 RM	2019 RM	2020 RM	2019 RM
Transactions with immediate holding company								
Related logistic services received and receivable	42,574,884	43,359,037	42,574,884	43,359,037	4,102,320	3,649,898	4,102,320	3,649,898
Related logistic services paid and payable	29,701,121	18,057,100	29,701,121	18,057,100	1,487,588	1,574,162	1,487,588	1,574,162
Management fee paid and payable	10,828,638	-	10,828,638	-	-	-	-	-
IT fees paid and payable	1,084,335	329,611	1,084,335	329,611	100,961	-	100,961	-
Transactions with subsidiary companies of the ultimate holding company								
Related logistic services received and receivable	57,757,514	58,662,335	57,757,514	58,662,335	6,587,604	7,444,069	6,587,604	7,444,069
Related logistic services paid and payable	58,901,741	48,306,953	58,901,741	48,306,953	5,340,283	5,285,934	5,340,283	5,285,934
Management fee paid and payable	-	4,842,520	-	4,842,520	-	-	-	-
Transactions with associated company								
Accounting fee received and receivable	17,600	4,800	17,600	4,800	4,800	4,800	4,800	4,800
Transaction with joint venture company								
Related logistic services received and receivable	3,108,132	1,430,559	380,503	1,430,559	833,671	1,377,330	241,176	1,377,330
Transactions with corporate shareholder of subsidiary company								
Advances from corporate shareholder of subsidiary company	5,503,172	-	-	-	5,317,172	-	-	-
Interest paid and payable	184,682	-	-	-	115,332	-	-	-

38. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Directors				
Directors' fee	208,000	155,000	208,000	155,000
Short-term employee benefits				
- salary, bonus and allowances	4,126,684	3,794,759	4,126,684	3,794,759
Post-employment benefits				
- EPF	469,449	415,936	469,449	415,936
	4,804,133	4,365,695	4,804,133	4,365,695
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	4,170,340	4,403,723	2,488,930	3,512,493
Post-employment benefits				
- EPF	431,712	399,709	215,910	283,861
	4,602,052	4,803,432	2,704,840	3,796,354
Total compensation	9,406,185	9,169,126	7,508,973	8,162,049

39. ACQUISITIONS IN PREVIOUS FINANCIAL YEAR

(a) Gold Cold Integrated Logistics Sdn Bhd ("GCIL")

On 1 June 2018, a wholly-owned subsidiary of the Company, TYGC, acquired 100% equity interest in GCIL for a total cash consideration of RM9,925,100. Accordingly, GCIL became wholly-owned subsdiary of the Group.

GCIL is principally engaged in the provision of transportation, cold room storage facilities, repackaging and value added facilities.

39. ACQUISITIONS IN PREVIOUS FINANCIAL YEAR (CONT'D)

(a) Gold Cold Integrated Logistics Sdn Bhd ("GCIL") (Cont'd)

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

	GCIL RM
Assets	
Property, plant and equipment	26,509,950
Trade receivables	3,040,167
Other receivables and prepayments	767,223
Current tax assets	1,016
Cash and bank balances	1,254,332
Liabilities	
Trade payables	(298,531)
Other payables and accruals	(591,175)
Loan owing to former holding company	(19,200,000)
Deferred tax liabilities	(1,004,486)
Net assets	10,478,496
Net assets acquired	10,478,496
Gain on bargain purchase arising from acquisition	(553,396)
Purchase consideration	9,925,100
Effects of acquisition on cash flows:	
Consideration paid in cash	(9,925,100)
Settlement of loan owing to former holding company	(19,200,000)
Cash and cash equivalents of subsidiary companies acquired	1,254,332
Net cash outflow on acquisition	(27,870,768)

(ii) Impact of the acquisition to the Group:

	GCIL RM
Revenue	8,984,802
Loss for the year	(5,661,295)

Had GCIL been acquired since 1 April 2018, the Group's revenue and profit for the financial year would have been RM747,582,770 and RM6,588,084 respectively. These figures were presented solely for illustrative purpose to provide reference for comparison in future period.

Acquisition-related costs of RM39,386 are included in administrative and general expenses in the consolidated statement of comprehensive income for the year ended 31 March 2019.

(b) Gold Cold Solutions Sdn Bhd ("GCS")

On 29 March 2019, TYGC subscribed 10 ordinary shares in GCS, representing 100% equity interest for a total cash consideration of RM10. Accordingly, GCS became a wholly-owned subsdiary company of the Group.

40. OPERATING LEASE ARRANGEMENT

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:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Not later than one year	-	8,080,449	-	7,330,064
Later than one year but not later than 5 years	-	8,691,772	-	6,523,683
	-	16,772,221	-	13,853,747

Upon adoption of MFRS 16 Leases, the present value of future minimum lease payments for operating leases have been accounted for as part of lease liabilities on the Group's statement of financial position as disclosed in note 6 to the financial statements.

The Group as lessor

The Group leases out its land and buildings under cancellable operating lease arrangement to a third party.

41. OTHER COMMITMENTS

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Authorised and contracted for:				
- acquisition of property, plant and equipments	-	3,455,051	-	3,455,051
- proposed acquisition of leasehold land (note 46 (c))	22,469,490	25,370,400	-	-
	22,469,490	28,825,451	-	3,455,051

42. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	2020 RM	2019 RM
Group		
Financial assets		
Amortised cost		
Trade receivables	114,514,656	112,335,080
Other receivables *	9,710,770	14,682,415
Amount owing by immediate holding company	4,102,320	3,649,898
Amounts owing by related companies	6,587,604	7,444,069
Amount owing by associated company	54,800	14,800
Amount owing by a joint venture	833,671	3,257,330
Fixed deposits with licensed banks	78,628,142	16,535,029
Cash and bank balances	113,153,309	60,643,606
	327,585,272	218,562,227
FVTPL		
Short term investments	5,329,513	5,155,077
FVTOCI		
Other assets – unquoted shares	302,701	302,701
Derivative financial assets	-	835,453
	302,701	1,138,154

* *Excluding prepayments, GST recoverable and deposits paid for the proposed acquisition of leasehold land*

	2020 RM	2019 RM
Group		
Financial liabilities		
Amortised cost		
Trade payables	46,760,294	48,535,000
Other payables, deposits and accruals	28,849,507	32,649,285
Amount owing to immediate holding company	1,588,549	1,574,162
Amounts owing to related companies	5,340,283	5,285,934
Amount owing to corporate shareholder of subsidiary company	5,432,504	-
Lease liabilities	13,320,281	-
Hire purchase payables	228,658	1,332,381
Revolving credits	-	20,000,000
Bank term loans	323,350,878	349,783,054
	424,870,954	459,159,816

42. FINANCIAL INSTRUMENTS (CONT'D)

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

	2020 RM	2019 RM
Company		
Financial assets		
Amortised cost		
Trade receivables	89,523,004	86,950,147
Other receivables *	8,555,105	13,628,065
Amount owing by immediate holding company	4,102,320	3,649,898
Amounts owing by subsidiary companies	108,253,675	236,858,716
Amounts owing by related companies	6,587,604	7,444,069
Amount owing by associated company	54,800	14,800
Amount owing by a joint venture	241,176	3,257,330
Fixed deposits with licensed banks	54,534,769	12,853,753
Cash and bank balances	50,971,991	42,288,271
	322,824,444	406,945,049
FVTOCI		
Other assets – unquoted shares	302,701	302,701
Derivative financial assets	-	835,453
	302,701	1,138,154

* *Excluding prepayments, GST recoverable and deposits paid for the proposed acquisition of leasehold land.*

	2020 RM	2019 RM
Company		
Financial liabilities		
Amortised cost		
Trade payables	38,078,114	40,138,157
Other payables, deposits and accruals	26,511,047	29,606,534
Amount owing to immediate holding company	1,588,549	1,574,162
Amounts owing to subsidiary companies	58,825,296	57,997,805
Amounts owing to related companies	5,340,283	5,285,934
Lease liabilities	7,917,406	-
Revolving credits	-	20,000,000
Bank term loans	285,466,667	308,371,728
	423,727,362	462,974,320

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments

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

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

	Group		Company	
2020	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Hire purchase payables	228,658	235,404	-	-
Bank term loans	323,350,878	328,607,359	285,466,667	290,723,148

	Group		Company	
2019	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Hire purchase payables	1,332,381	1,338,402	-	-
Revolving credits	20,000,000	20,037,486	20,000,000	20,037,486
Bank term loans	349,783,054	352,981,814	308,371,728	311,570,487

The methods and assumptions used to estimate the fair value of the financial instruments are as follows:

Financial instruments	**Fair values determination**
Other assets - unquoted shares	By reference to adjusted fair value (if any) of the investee company at the reporting date.
Derivative financial assets	By reference to mark to market report at the reporting date provided by financiers.
Short term investments	By reference to statements of account at the reporting date provided by fund managers.
Borrowings	By reference to the prevailing market interest rates for similar borrowings.

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			
2020			
Other assets - unquoted shares	-	302,701	302,701
Short term investments	-	5,329,513	5,329,513
	-	5,632,214	5,632,214

42. 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 (Cont'd):

	Level 1 RM	Level 2 RM	Total RM
Financial assets			
Group			
2019			
Other assets - unquoted shares	-	302,701	302,701
Derivative financial assets	-	835,453	835,453
Short term investments	-	5,155,077	5,155,077
	-	6,293,231	6,293,231
Financial assets			
Company			
2020			
Other assets - unquoted shares	-	302,701	302,701
Financial assets			
Company			
2019			
Other assets - unquoted shares	-	302,701	302,701
Derivative financial assets	-	835,453	835,453
	-	1,138,154	1,138,154

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 (2019: nil).

43. 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 US Dollar and Singapore Dollar.

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

Foreign currency risk (Cont'd)

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 of each financial instrument are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items of the Group and the Company as at reporting date. If the following foreign currencies were to strengthen or weaken by 5% against the Group's and 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	
	2020 RM	2019 RM	2020 RM	2019 RM
US Dollar	1,895,949	982,658	1,895,949	982,658
Singapore Dollar	189,507	132,511	158,360	111,059

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 various 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.

The Group's and the Company's exposure to the interest rate risk are primary from the floating interest rate external borrowings.

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 RM143,960 (2019: RM157,363) 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 sale of services 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.

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

Credit risk (Cont'd)

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.

Loss allowance is measured at an amount equal to lifetime ECL. The ECL are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, including the expected impact of Covid-19 outbreak and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In measuring the ECL, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to geographical location of trade debtors.

The ECL rates are based on the payment profile for sales over the past 36 months before the current financial period as well as the corresponding credit losses during the respective financial period in the past. The historical rates are adjusted to reflect the current and forward-looking macroeconomic factors affecting the customers' ability to settle the outstanding balances and additional expected loss rate on Covid-19 outbreak is adjusted in provision matrix. However, given the short period of exposure to credit risk, the impact of the Covid-19 outbreak has not been considered significant within the current financial period.

During the financial year, the Company provides corporate guarantee for the bank borrowing of a subsidiary company and corporate guarantees to third parties on behalf of joint venture. The Company monitor the results of the subsidiary company and joint venture, and the repayment of borrowings on regular basis. The maximum exposure of the Group and of the Company to credit risk arising from the above guarantees amounting to RM12,200,000 and RM50,084,211 respectively (2019: RM11,700,000 and RM53,111,326).

The management determined the fair value of the above financial guarantees to be not significant.

As at the reporting date, there was no indication that the subsidiary company and joint venture would default on repayment. Accordingly, no loss allowances were identified based on 12-month ECL on these guarantees.

As at year end, RM8.83 million or 8% (2019: RM9.78 million or 9%) 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.

A receivable is written off when there is evidence indicating that there is no reasonable expectation of recovery based on management's internal assessment or when the receivable has suffered a loss.

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

The following table provides information about the exposure credit risk and ECL for receivables which are trade in nature:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Group			
31 March 2020			
Not past due	82,925,654	94,110	82,831,544
Less than 30 days past due	24,840,872	82,195	24,758,677
Between 30 and 90 days past due	13,023,245	29,376	12,993,869
	120,789,771	205,681	120,584,090
Credit impaired:			
- more than 90 days past due	5,987,053	702,113	5,284,940
- individually impaired	960,300	791,079	169,221
	127,737,124	1,698,873	126,038,251
Included under receivables:			
Trade receivables	116,213,529	1,698,873	114,514,656
Amount owing by immediate holding company	4,102,320	-	4,102,320
Amounts owing by related companies	6,587,604	-	6,587,604
Amount owing by joint venture	833,671	-	833,671
	127,737,124	1,698,873	126,038,251
Company			
31 March 2020			
Not past due	72,922,741	92,756	72,829,985
Less than 30 days past due	15,951,401	75,436	15,875,965
Between 30 and 90 days past due	9,884,686	29,077	9,855,609
	98,758,828	197,269	98,561,559
Credit impaired:			
- more than 90 days past due	5,109,040	249,173	4,859,867
- individually impaired	945,669	776,448	169,221
	104,813,537	1,222,890	103,590,647
Included under receivables:			
Trade receivables	90,745,894	1,222,890	89,523,004
Amount owing by immediate holding company	4,102,320	-	4,102,320
Amounts owing by subsidiary companies	3,136,543	-	3,136,543
Amounts owing by related companies	6,587,604	-	6,587,604
Amount owing by joint venture	241,176	-	241,176
	104,813,537	1,222,890	103,590,647

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

The following table provides information about the exposure credit risk and ECL for receivables which are trade in nature:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Group			
31 March 2019			
Not past due	76,612,494	78,551	76,533,943
Less than 30 days past due	29,442,068	83,336	29,358,732
Between 30 and 90 days past due	8,755,834	43,691	8,712,143
	114,810,396	205,578	114,604,818
Credit impaired:			
- more than 90 days past due	9,942,477	273,982	9,668,495
- individually impaired	1,049,597	516,533	533,064
	125,802,470	996,093	124,806,377
Included under receivables:			
Trade receivables	113,331,173	996,093	112,335,080
Amount owing by immediate holding company	3,649,898	-	3,649,898
Amounts owing by related companies	7,444,069	-	7,444,069
Amount owing by joint venture	1,377,330	-	1,377,330
	125,802,470	996,093	124,806,377
Company			
31 March 2019			
Not past due	69,188,005	67,900	69,120,105
Less than 30 days past due	19,445,461	56,748	19,388,713
Between 30 and 90 days past due	5,372,809	26,864	5,345,945
	94,006,275	151,512	93,854,763
Credit impaired:			
- more than 90 days past due	5,638,672	115,966	5,522,706
- individually impaired	810,458	338,282	472,176
	100,455,405	605,760	99,849,645
Included under receivables:			
Trade receivables	87,555,907	605,760	86,950,147
Amount owing by immediate holding company	3,649,898	-	3,649,898
Amounts owing by subsidiary companies	428,201	-	428,201
Amounts owing by related companies	7,444,069	-	7,444,069
Amount owing by joint venture	1,377,330	-	1,377,330
	100,455,405	605,760	99,849,645

For other receivables and other financial assets (including cash and balances, fixed deposits placed with licensed banks, short term investments and amounts owing from associated company, joint venture and subsidiaries), the Group and the Company minimise credit risk by dealing exclusively with creditworthy counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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

Other receivables and other financial assets are also subject to impairment requirements of MFRS 9. The identified impairment loss is assessed to be insignificant.

Receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these receivables. They are substantially companies with good collection track record and no recent history of default.

Receivables that are neither past due nor impaired

A significant portion of receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of these receivables.

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

	Group RM	**Company RM**
2020		
At 1 April 2019	996,093	605,760
Additions of allowance for doubtful debts	702,780	617,130
At 31 March 2020	1,698,873	1,222,890
2019		
At 1 April 2018	1,044,954	685,468
Effects of adoption of MFRS 9	310,423	310,423
Additions of allowance for doubtful debts	325,277	-
Allowance for doubtful debts no longer required	(684,561)	(390,131)
At 31 March 2019	996,093	605,760

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

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

Liquidity and cash flow risks (Cont'd)

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

2020	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	46,760,294	-	-	46,760,294
Other payables, deposits and accruals	28,849,507	-	-	28,849,507
Amount owing to immediate holding company	1,588,549	-	-	1,588,549
Amounts owing to related companies	5,340,283	-	-	5,340,283
Amount owing to corporate shareholder of subsidiary company	513,940	1,569,244	3,645,934	5,729,118
Lease liabilities	9,425,840	4,407,408	-	13,833,248
Hire purchase payables	222,113	11,579	-	233,692
Bank term loans	81,912,997	166,585,133	90,321,093	338,819,223
Total undiscounted financial liabilities	174,613,523	172,573,364	93,967,027	441,153,914
Financial guarantee contracts *	12,412,810	393,641	-	12,806,451
Company				
Trade payables	38,078,114	-	-	38,078,114
Other payables, deposits and accruals	26,511,047	-	-	26,511,047
Amount owing to immediate holding company	1,588,549	-	-	1,588,549
Amounts owing to subsidiary companies	58,825,296	-	-	58,825,296
Amounts owing to related companies	5,340,283	-	-	5,340,283
Lease liabilities	7,640,677	633,011	-	8,273,688
Bank term loans	76,229,578	143,851,458	78,970,786	299,051,822
Total undiscounted financial liabilities	214,213,544	144,484,469	78,970,786	437,668,799
Financial guarantee contracts *	18,220,731	26,985,505	5,484,426	50,690,662

2019	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	48,535,000	-	-	48,535,000
Other payables, deposits and accruals	32,649,285	-	-	32,649,285
Amount owing to immediate holding company	1,574,162	-	-	1,574,162
Amounts owing to related companies	5,285,934	-	-	5,285,934
Hire purchase payables	1,138,253	231,392	-	1,369,645
Revolving credits	20,037,486	-	-	20,037,486
Bank term loans	63,062,853	195,381,026	102,388,307	360,832,186
Total undiscounted financial liabilities	172,282,973	195,612,418	102,388,307	470,283,698
Financial guarantee contracts *	11,887,955	393,641	-	12,281,596

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

Liquidity and cash flow risks (Cont'd)

2019	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Company				
Trade payables	40,138,157	-	-	40,138,157
Other payables, deposits and accruals	29,606,534	-	-	29,606,534
Amount owing to immediate holding company	1,574,162	-	-	1,574,162
Amounts owing to subsidiary companies	57,997,805	-	-	57,997,805
Amounts owing to related companies	5,285,934	-	-	5,285,934
Revolving credits	20,037,486	-	-	20,037,486
Bank term loans	57,378,275	172,642,714	93,025,928	323,046,917
Total undiscounted financial liabilities	212,018,353	172,642,714	93,025,928	477,686,995
Financial guarantee contracts *	17,572,533	23,131,952	9,362,379	50,066,864

* The management determined the fair value of the above financial guarantees to be not significant at their initial recognition.

44. 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 2020 and 31 March 2019 were as follows:

	2020 RM	2019 RM
Share capital	100,801,317	100,801,317
Reserves	334,880,885	270,455,902
Total equity	435,682,202	371,257,219
Lease liabilities	13,320,281	-
Amount owing to corporate shareholder of subsidiary company	5,432,504	-
Bank term loans	323,350,878	349,783,054
Hire purchase payables	228,658	1,332,381
Revolving credits	-	20,000,000
Total debt	342,332,321	371,115,435
Total debt to equity ratio (times)	0.79	1.00

45. 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")	- Air freight forwarding
(ii) Contract Logistics Division ("CLD")	- Customs forwarding, warehousing, in-plant 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.

2020	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
REVENUE						
External sales	143,679,473	311,022,125	79,707,141	95,521,215	117,508,349	747,438,303
Represented by:						
Revenue recognised at a point of time	143,679,473	139,488,779	-	95,521,215	77,920,443	456,609,910
Revenue recognised over time	-	171,533,346	79,707,141	-	39,587,906	290,828,393
Consolidated revenue	143,679,473	311,022,125	79,707,141	95,521,215	117,508,349	747,438,303
Segment results	5,497,253	26,895,072	(3,948,268)	1,647,592	4,883,386	34,975,035
Unallocated corporate income	-	-	-	-	-	4,272,400
Profit from operations	-	-	-	-	-	39,247,435
Share of results of associated company and joint venture	-	-	-	-	-	(302,060)
Finance costs	-	-	-	-	-	(18,347,594)
Profit before tax	-	-	-	-	-	20,597,781
Tax expense	-	-	-	-	-	(10,691,638)
Profit for the year	-	-	-	-	-	9,906,143
Included in operating profit:						
Depreciation of property, plant and equipment	-	-	-	-	-	31,002,867
Amortisation of right-of-use assets	-	-	-	-	-	9,677,389
Allowance for doubtful debts	-	-	-	-	-	702,780
Bad debts written off	-	-	-	-	-	196,771
Gain on disposal of property, plant and equipment	-	-	-	-	-	(648,816)
Property, plant and equipment written off	-	-	-	-	-	58,618
Fair value gain on short term investments	-	-	-	-	-	(174,436)
Unrealised gain on foreign exchange (net)	-	-	-	-	-	(1,219,222)

45. SEGMENTAL ANALYSIS (CONT'D)

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

2019	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
REVENUE						
External sales	173,019,042	309,690,220	81,300,505	73,806,613	98,984,628	736,801,008
Represented by:						
Revenue recognised at a point of time	173,019,042	147,277,086	-	73,806,613	12,781,070	406,883,811
Revenue recognised over time	-	162,413,134	81,300,505	-	86,203,558	329,917,197
Consolidated revenue	173,019,042	309,690,220	81,300,505	73,806,613	98,984,628	736,801,008
Segment results	10,215,007	15,764,113	(624,983)	(3,540,925)	12,999,283	34,812,495
Unallocated corporate income	-	-	-	-	-	2,618,674
Profit from operations	-	-	-	-	-	37,431,169
Share of results of associated company and joint venture	-	-	-	-	-	(341,782)
Finance costs	-	-	-	-	-	(18,428,618)
Profit before tax	-	-	-	-	-	18,660,769
Tax expense	-	-	-	-	-	(5,279,131)
Profit for the year	-	-	-	-	-	13,381,638
Included in operating profit:						
Depreciation of property, plant and equipment	-	-	-	-	-	30,330,078
Allowance for doubtful debts	-	-	-	-	-	325,277
Bad debt written off	-	-	-	-	-	3,869
Allowance for doubtful debts no longer required	-	-	-	-	-	(684,561)
Gain on disposal of property, plant and equipment	-	-	-	-	-	(425,857)
Gain on disposal of non-current assets classified as held for sale	-	-	-	-	-	(507,040)
Gain on bargain purchase arising from acquisition	-	-	-	-	-	(553,396)
Fair value gain on short term investment	-	-	-	-	-	(42,995)
Property, plant and equipment written off	-	-	-	-	-	22,800
Unrealised gain on foreign exchange (net)	-	-	-	-	-	(649,991)

RM93.61 million or 12.5% (2019: RM94.19 million or 12.8%) of the Group's revenue arising from a single customer.

45. SEGMENTAL ANALYSIS (CONT'D)

(b) Secondary reporting format - geographical segment

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

46. SIGNIFICANT EVENTS

(a) On 30 April 2019, the Company had entered into a Sale of Business Agreement ("SBA") to dispose certain of its business operation to GC Logistics Sdn Bhd, an indirect subsidiary of the Company, for a total consideration of RM5,909,448. The SBA is effective and is deemed to come into force on 1 April 2019.

(b) On 29 March 2019, the Company entered into a Share Subscription Agreement with Japan Overseas Infrastructure Investment Corporation For Transport & Urban Development ("JOIN") for the proposed issuance and allotment of 58,878,000 new ordinary shares (representing 30% of the enlarged equity interest) in TYGC ("Subscription Shares") to JOIN for a cash subscription price of RM125 million (herein referred as "Proposed Investment from JOIN"). Arising therefrom, the Company's equity interest in TYGC will be diluted from 100% to 70%.

As at 28 March 2019, the issued and paid-up share capital of TYGC was RM2,000,000 comprising 2,000,000 ordinary shares. In order to facilitate the Proposed Investment from JOIN, TYGC will be capitalising RM69.26 million of its outstanding shareholders' advances from the Company via the issuance and allotment of 135,382,000 new TYGC's shares to the Company, concurrently with the Proposed Investment from JOIN.

On 10 May 2019, the Company announced that the shareholders of TASCO Berhad have approved the Proposed Investment from JOIN at the Extraordinary General Meeting.

The Proposed Investment from JOIN was completed on 11 June 2019.

The subscription price of RM125 million had been received in cash. The proportion of share of the net assets of TYGC amounted to RM63,875,103 had been transferred to non-controlling interests. The difference between the increase in non-controlling interests and the subscription price amounted to RM61,124,897 had been credited to retained earnings.

(c) On 10 May 2019, GCS and Titian Pelangi Sdn Bhd ("collectively referred to as the "Purchasers"), both being subsidiaries of the Company had entered into a Sale and Purchase Agreement ("SPA") with Hai San Holdings Sdn Bhd (In Liquidation) and Hai San & Sons Sdn Bhd (In Liquidation) (collectively referred to as the "Vendors") for the proposed acquisition of seven (7) parcels of leasehold industrial land located in Port Klang, Selangor measuring approximately 16.3 acres in total, together with the buildings erected thereon for a total cash consideration of RM25,827,000 ("Proposed Acquisition").

Earnest deposits for the Proposed Acquisition amounting to RM456,600 and RM2,900,910 was paid on 17 August 2018 and 24 April 2019 respectively, which were funded using the internal funds of the Company.

On 16 December 2019, the Company announced that, after the signing of the SPA on 10 May 2019, it came to Board's attention that a bank had, prior to 10 May 2019, initiated an auction of several properties under Proposed Acquisition.

The auction was initially set on 26 July 2019 but was postponed to 25 October 2019. Subsequently, the bank had applied for withdrawal of the auction as the SPA to sell the several properties to the Vendors had been executed.

Barring any unforeseen circumstances and subject to the fulfilment of the Conditions Precedent, the Proposed Acquisition is expected to be completed within the next financial year.

46. SIGNIFICANT EVENTS (CONT'D)

(d) On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 1 May 2020 and further extended through a conditional MCO till 9 June 2020. The conditional MCO is replaced by recovery MCO from 10 June 2020 to 31 August 2020. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. The Malaysian Government has relaxed the MCO on the logistics industry as this industry provides essential services to the country. With this decision, the Group's logistics operations are able to operate subject to certain operating conditions.

At the reporting date, the Group and the Company have taken the appropriate steps to re-assess their customers' credit risks and tighten the credit controls in order to mitigate any risk of non-collection due from the Covid-19 outbreak. Additional expected credit losses on receivables was recognised as at 31 March 2020 due to a foreseeable decline in the repayment ability of certain debtors.

Directors are cognizant of the challenges posed by these events and the potential impact they have on the Group's and the Company's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group and the Company are unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Group and the Company are monitoring the situation closely and to mitigate the financial impact. The Group and the Company are conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

47. ADOPTION OF NEW MALAYSIAN FINANCIAL REPORTING STANDARDS

MFRS 16 LEASES

The Group and the Company applied MFRS 16 Leases using the modified retrospective approach on 1 April 2019, being the date of initial application of MFRS 16 Leases, and not restate prior year comparatives information which remain as previously reported under MFRS 117 Leases and related interpretations.

The Group and the Company applied the following practical expedients when applying MFRS 16 Leases for the first time:

- Not to reassess whether a contract is, or contains, a lease at 1 April 2019 and instead relied on the assessment previously made using MFRS 117 Leases and IC Interpretation 4 Determining whether an Arrangement contains a Lease;

- Not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 April 2019;

- Not to recognise right-of-use assets and lease liabilities for leases for which the underlying asset is of low value; and

- Use of hindsight for contracts which contain an option to extend or terminate a lease.

Leases classified as finance leases under MFRS 117 Leases

The Group and the Company did not change the initial carrying amounts of recognised assets and liabilities at the date on initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). In the statements of financial position, right-of-use assets continue to be included in property, plant and equipment.

47. ADOPTION OF NEW MALAYSIAN FINANCIAL REPORTING STANDARDS (CONT'D)

Leases classified as operating leases under MFRS 117 Leases

The Group and the Company previously classified their leases of properties, motor vehicles and plant and machinery as operating leases under MFRS 117 Leases.

Under MFRS 16 Leases, the Group and the Company recognised, for each lease:

(a) a lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019; and

(b) a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

Hence, there were no impact to the retained earnings brought forward as at 1 April 2019.

Following the recognition of the right-of-use assets, the Group and the Company tested the right-of-use assets on 1 April 2019 for impairment and concluded that the right-of-use assets show no indication of impairment.

The effects of adopting MFRS 16 Leases to the Group and to the Company as at 1 April 2019 were as follows:

		Group	
	31 March 2019 RM	**Changes RM**	**1 April 2019 RM**
Non-current assets			
Right-of-use assets	-	20,929,986	20,929,986

		Group	
	31 March 2019 RM	**Changes RM**	**1 April 2019 RM**
Non-current liabilities			
Lease liabilities	-	20,929,986	20,929,986

		Company	
	31 March 2019 RM	**Changes RM**	**1 April 2019 RM**
Non-current assets			
Right-of-use assets	-	15,414,515	15,414,515

		Company	
	31 March 2019 RM	**Changes RM**	**1 April 2019 RM**
Non-current liabilities			
Lease liabilities	-	15,414,515	15,414,515

47. ADOPTION OF NEW MALAYSIAN FINANCIAL REPORTING STANDARDS (CONT'D)

The Group and the Company use incremental borrowing rates at 1 April 2019 to discount the remaining lease payments at 1 April 2019 when measuring the lease liabilities. The weighted-average incremental borrowing rate applied by the Group and the Company at 1 April 2019 is ranged from 4% to 4.50%.

	Group 1 April 2019 RM	Company 1 April 2019 RM
Operating lease commitments as at 31 March 2019 under MFRS 117 Leases as disclosed in the financial statements	16,772,221	13,853,747
Recognition exemption for short-term leases at the date of initial application	(1,465,746)	(1,412,946)
	15,306,475	12,440,801
Discounted using incremental borrowing rate at 1 April 2019	(482,885)	(119,336)
Lease payments relating to renewal periods	6,106,396	3,093,050
Lease liabilities recognised as at 1 April 2019	20,929,986	15,414,515

48. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 18 June 2020.

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 accompanying financial statements set out on pages 80 to 156 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2020 and the financial performance and cash flows of the Group and of the 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: 18 June 2020

STATUTORY DECLARATION

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

I, Tan Kim Yong (I/C 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 accompanying financial statements set out on pages 80 to 156 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 18 June 2020

TAN KIM YONG
Chartered Accountant
MIA No: 8219

Before me:

KAPT (B) JASNI BIN YUSOFF
No. W465
Commisioner 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 31.03.2020 (RM'000)
1.	Westport Lot No. PT 128571, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 54,807 Built-up - 30,907	13 years	01-Jun-18	130,402
	Lot No. PT 128572, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 35,838		01-Jun-18	
	Lot No. PT 128573, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 17,481		01-Jun-18	
	Lot No. PT 128574, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 20,149 Built-up - 6,770	12 years	01-Jun-18	
	Lot No. PT 128575, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 13,038 Built-up - 532	13 years	01-Jun-18	
	Lot No. PT 128576, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 18,622		01-Jun-18	
2.	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	6 years	12-Jul-17	106,180
	No. 3, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam, Selangor	Industrial Land	Berjayaa Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 5,429	17 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	14 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	11 years	12-Jul-17	
3.	Shah Alam Lot No. 1A, Persiran Jubli Perak Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor.	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre Warehouse F Warehouse E	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Build-up - 26,718 Build-up - 16,800 Build-up - 16,800	31 years 8 years 7 years	30-Jun-09	66,348

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 31.03.2020 (RM'000)
4.	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 Build-up - 20,919	5 years	19-Mar-12	34,199
5.	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 Build-up - 12,119 Build-up - 19,584	 12 years 9 years	25-May-04	25,968
	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	N/A	25-May-04	78
6.	Port Klang Lot 2, Solok Sultan Hishamuddin 10 Kawasan Perindustrian Selat Klang Utara 42000 Port Klang, Selangor	Industrial Land	Port Klang Container Depot	Leasehold 99 years expiring 09.06.2086	Land - 24,068 Built-up - 57.6	19 years	02-Feb-18	14,360
7.	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 - 20,639 Build-up - 9,282	28 years	18-Jun-08	12,066
8.	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 Build-up - 17,078	28 years	19-Feb-08	10,050
9.	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas Pulau Pinang	Industrial Land	Penang Air Freight Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Build-up - 3,040	13 years	04-Jun-08	6,275
10.	Alor Gajah Plot 1873 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre	Leasehold 99 years expiring 08.12.2013	Land - 11,776 Build-up - 2,683	10 years	01-Apr-10	4,591

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2020

Issued and Fully paid-up Capital	:	RM100,801,317
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	338	0.00
100 to 1,000 shares	221	135,652	0.07
1,001 to 10,000 shares	1,119	5,657,310	2.83
10,001 to 100,000 shares	528	17,482,300	8.74
100,001 to less than 5% of issued shares	89	76,305,158	38.15
5% and above issued shares	4	100,419,242	50.21
Total	1,989	200,000,000	100.00

LIST OF 30 LARGEST SHAREHOLDERS

	Name of Shareholders	No. of shares	%
1.	Yusen Logistics (Singapore) Pte Ltd	36,460,482	18.23
2.	Yusen Logistics Co., Ltd	36,019,636	18.01
3.	Yusen Logistics Co., Ltd	14,759,942	7.38
4.	Nippon Yusen Kabushiki Kaisha	13,179,182	6.59
5.	Nippon Yusen Kabushiki Kaisha	6,000,000	3.00
6	Yusen Logistics (Singapore) Pte Ltd	6,000,000	3.00
7	Yusen Logistics Co., Ltd	6,000,000	3.00
8	Yusen Logistics Co., Ltd	6,000,000	3.00
9	Yusen Logistics (Singapore) Pte Ltd	5,519,882	2.76
10.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Real Fortune Portfolio Sdn Bhd (PB)	4,000,000	2.00
11	Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
12	Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
13	Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
14	Real Fortune Portfolio Sdn Bhd	3,660,876	1.83
15	Wong Lok Jee @ Ong Lok Jee	3,035,000	1.52
16.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Principal Dali Opportunities Fund	2,337,300	1.17
17.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Yoong Nyock (MY3272)	1,679,600	0.84
18.	Lee Chung Yau	1,000,000	0.50
19.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bakat Impian Sdn Bhd (8124505)	920,000	0.46
20.	Yeo Khee Huat	756,000	0.38
21.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	675,900	0.34
22.	Dynaquest Sdn Bhd	636,300	0.32
23.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	605,800	0.30
24.	AMBank (M) Berhad Pledged Securities Account For Ong Yoong Nyock (SMART)	500,000	0.25
25.	Ong Ee Nah	500,000	0.25

LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of shares	%
26. Teo Kwee Hock	482,900	0.24
27. Gan Boon Leng	470,000	0.24
28. Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Asia Humanistic Capital Inc	468,000	0.23
29. Sow Tiap	448,000	0.22
30. Gan Tee Kian	440,000	0.22
Total	**164,554,800**	**82.28**

SUBSTANTIAL SHAREHOLDERS

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

Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
1. Yusen Logistics Co., Ltd.	62,779,578	31.38	47,980,364[1]	23.99
2. Yusen Logistics (Singapore) Pte Ltd	47,980,364	23.99	-	-
3. Nippon Yusen Kabushiki Kaisha	19,179,182	9.59	110,759,942[2]	55.38
4. Real Fortune Portfolio Sdn Bhd	19,660,876	9.83	-	-
5. Lee Check Poh	-	-	19,660,876[3]	9.83

DIRECTORS' SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors' direct and indirect interests in share in the Company are as follows:

Name of Directors	Direct Interest	%	Indirect Interest	%
1. Lee Check Poh	-	-	19,660,876[3]	9.83
2. Lim Jew Kiat	120,000	0.06	-	-
3. Tan Kim Yong	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 % 31.03.2020	% 31.03.2019	Principal Activities
Baik Sepakat Sdn Bhd	Malaysia	100	100	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	Malaysia	100	100	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	Malaysia	100	100	Truck rental and logistics services
Trans-Asia Shipping Pte Ltd (In Liquidation)	Singapore	100	100	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	Malaysia	100	100	Trading
Precious Fortunes Sdn Bhd	Malaysia	100	100	Warehousing
Titian Pelangi Sdn Bhd	Malaysia	100	100	Warehousing
TASCO Yusen Gold Cold Sdn Bhd	Malaysia	70	100	Investment holding
Meriah Selalu Sdn Bhd	Malaysia	100	100	Operating container depot and providing services of storing, handling, cleaning and repairing of containers
Omega Saujana Sdn Bhd	Malaysia	51	51	Freight forwarding services
Piala Kristal (M) Sdn Bhd	Malaysia	51	51	Freight forwarding services

SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD

Gold Cold Integrated Logistics Sdn Bhd	Malaysia	100	100	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Solutions Sdn Bhd	Malaysia	100	100	Providing logistics services, transportation, warehousing distribution and marketing of goods
Gold Cold Transport Sdn Bhd	Malaysia	100	100	Transportation, provision of cold room facilities, repackaging and value added facilities services

SUBSIDIARY COMPANIES (CONT'D)

	Country	Group Effective Interest % 31.03.2020	% 31.03.2019	Principal Activities
SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD (CONT'D)				
GC Logistics Sdn Bhd	Malaysia	100	100	Transportation, cold room storage facilities, repackaging and value added facilities services
ASSOCIATED COMPANY				
Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Letting of property
JOINT VENTURE COMPANY				
YLTC Sdn Bhd	Malaysia	40	40	Trading, distribution and logistics

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth 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 Tuesday, 15 September 2020 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 2020 and the Reports of Directors and Auditors thereon. — ***Please refer to Explanatory Note A***

2. To approve the payment of the following Directors' remuneration by the Company:

   (a) To approve the payment of Directors' fees of RM300,000 for the period from 16 September 2020 until the next Annual General Meeting of the Company. — ***Ordinary Resolution 1***

   (b) To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 16 September 2020 until the next Annual General Meeting of the Company. — ***Ordinary Resolution 2***

3. To re-elect the following Directors who retire pursuant to Article 79 of the Company's Constitution:-

   3.1 Mr. Raippan s/o Yagappan @ Raiappan Peter — ***Ordinary Resolution 3***
   3.2 Mr. Lee Wan Kai — ***Ordinary Resolution 4***
   3.3 Mr. Tan Kim Yong — ***Ordinary Resolution 5***

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

5. **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** subject to the passing of the Resolution 3 above, 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 7***

   "**THAT** Mr. Raymond Cha 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 8***

   "**THAT** 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***

6. **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 17 August 2020 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***

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."

7. **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***

8. 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: 17 August 2020

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 8 September 2020 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 with the Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur 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 ("Act"), 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 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. In this respect, the Board agreed that the shareholders' approval shall be sought at the Forty-Fifth 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 16 September 2020 until the next AGM of the Company; and
   - Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 16 September 2020 until the next AGM of the Company.

   The Directors' benefits of the Company which is estimated not to exceed RM20,000 is basically the meeting allowances for Board/Board Committee meetings attended/to be attended for period from 16 September 2020 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 2020.

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

   The Proposed Ordinary Resolutions 7 to 9, if passed, will enable Mr. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang 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 28 December 2007.

   An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2020. The Board of Directors has considered the results of the independence assessment of Mr. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang and Mr. Kwong Hoi Meng, which was undertaken pursuant to the guidelines as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang and Mr. Kwong Hoi Meng should be retained as the Independent Non-Executive Directors of the Company.

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.

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Proxy Form

TASCO Berhad
(Company No. 197401003124 (20218-T))
(Incorporated in Malaysia)

TASCO
NYK GROUP COMPANY

I/We____NRIC/Co.No.____

(Please Use Block Capitals)

of____

(Full Address)

being a member/members of **TASCO BERHAD** hereby appoint ____

____

(Full Name)

of____

(Full Address)

or failing him/her,____

(Full Name)

of____

(Full Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Forty-Fifth 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 Tuesday, 15 September 2020 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 8 September 2020 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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Affix
Stamp

THE SHARE REGISTRAR

SECURITIES SERVICES (HOLDINGS) SDN BHD
Registration No. 197701005827 (36869-T)

LEVEL 7, MENARA MILENIUM
JALAN DAMANLELA
PUSAT BANDAR DAMANSARA
DAMANSARA HEIGHTS
50490 KUALA LUMPUR

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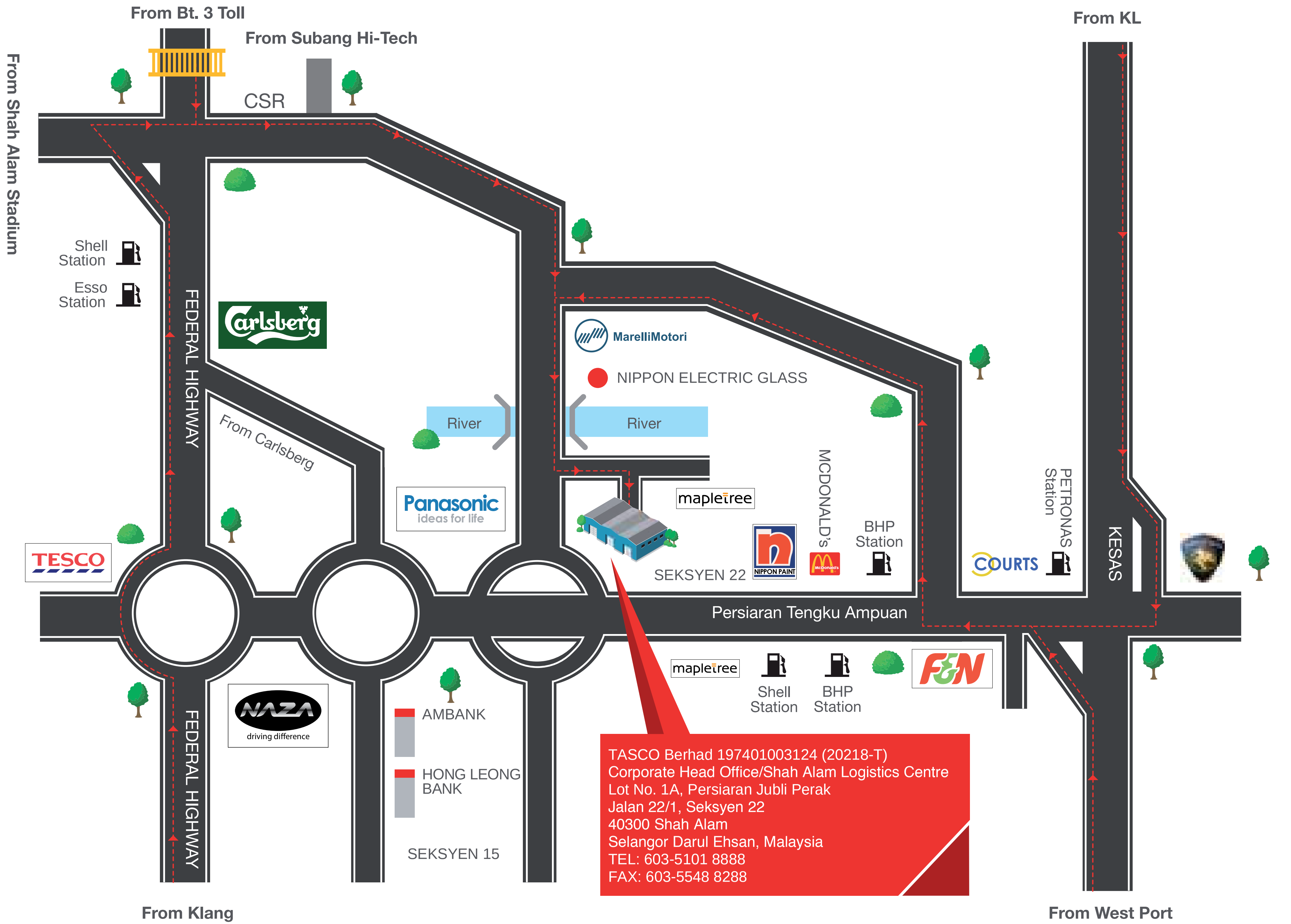

TASCO Berhad 197401003124 (20218-T)
Corporate Head Office/Shah Alam Logistics Centre
Lot No. 1A, Persiaran Jubli Perak
Jalan 22/1, Seksyen 22
40300 Shah Alam
Selangor Darul Ehsan, Malaysia
TEL: 603-5101 8888
FAX: 603-5548 8288

Tasco Berhad 197401003124 (20218-T)
Lot No. 1A, Persiaran Jubli Perak
Jalan 22/1, Seksyen 22
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Selangor Darul Ehsan, Malaysia

Tel: 603 5101 8888
Fax: 603 5548 6288

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