Circular/Notice to Shareholders

TASCO BERHAD

Subject	CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ISSUANCE AND ALLOTMENT OF 58,878,000 NEW ORDINARY SHARES (REPRESENTING 30% OF THE ENLARGED EQUITY INTEREST) IN TASCO YUSEN GOLD COLD SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TASCO, TO JAPAN OVERSEAS INFRASTRUCTURE INVESTMENT CORPORATION FOR TRANSPORT & URBAN DEVELOPMENT FOR A CASH SUBSCRIPTION PRICE OF RM125.0 MILLION

Please refer attachment below.

Attachments

TASCO Circular (25 April 2019) - Part 1.pdf
1.9 MB

TASCO Circular (25 April 2019) - Part 2.pdf
1.4 MB

Announcement Info

Company Name	TASCO BERHAD
Stock Name	TASCO
Date Announced	25 Apr 2019
Category	Document Submission
Reference Number	DCS-25042019-00024

THIS CIRCULAR TO SHAREHOLERS OF TASCO BERHAD ("TASCO") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

TASCO BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ISSUANCE AND ALLOTMENT OF 58,878,000 NEW ORDINARY SHARES (REPRESENTING 30% OF THE ENLARGED EQUITY INTEREST) IN TASCO YUSEN GOLD COLD SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TASCO, TO JAPAN OVERSEAS INFRASTRUCTURE INVESTMENT CORPORATION FOR TRANSPORT & URBAN DEVELOPMENT FOR A CASH SUBSCRIPTION PRICE OF RM125.0 MILLION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOB KAY HIAN SECURITIES (M) SDN BHD
(Company No. 194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") and Proxy Form are enclosed in this Circular.

Details of the EGM:

• Date and time	:	Friday, 10 May 2019, at 3.00 p.m., or any adjournment thereof
• Venue	:	TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor

A shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. The Proxy Form must be lodged at our registered office, as indicated below. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

• Last date and time for lodging the Proxy Form	:	Wednesday, 8 May 2019, at 3.00 p.m.
• To be deposited at our registered office	:	802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor

This Circular is dated 25 April 2019

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Acquisitions"	:	The acquisitions by our Company of the following:- (i) the entire equity interest of GCT (which includes GCT's wholly-owned subsidiary, GCL) from Chang Kok Fai and Chan Sun Cheong for a cash consideration of RM185,616,671. The said acquisition was completed on 12 July 2017; and (ii) the entire equity interest of GCIL from SILS for a cash consideration of RM9,925,100 as well as the assumption of loans received by GCIL from SILS with an outstanding balance of RM20,000,000 for a total cash consideration of RM29,925,100. The said acquisition was completed on 1 June 2018
"Act"	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
"Board"	:	Board of Directors of TASCO
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
"Capitalisation of Shareholders' Advances"	:	Capitalisation of RM69.26 million of the outstanding shareholders' advances given by TASCO to TYGC to part finance the Acquisitions which were completed on 12 July 2017 and 1 June 2018, respectively, via the issuance and allotment of 135,382,000 new TYGC Shares to TASCO
"Circular"	:	This circular dated 25 April 2019 in relation to the Proposed Investment from JOIN
"Director(s)"	:	The director(s) of TASCO and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and Section 2(1) of the Act
"EGM"	:	Extraordinary General Meeting
"EPS"	:	Earnings per share
"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending, as the case may be
"GCIL"	:	Gold Cold Integrated Logistics Sdn Bhd (Company No. 736730-M), formerly known as MILS Cold Chain Logistics Sdn Bhd
"GCL"	:	GC Logistics Sdn Bhd (Company No. 553099-H)
"GCS"	:	Gold Cold Solutions Sdn Bhd (Company No. 1319698-H)
"GCT"	:	Gold Cold Transport Sdn Bhd (Company No. 464664-M)
"GCT Group"	:	GCT and its subsidiary, being GCL
"JOIN"	:	Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	3 April 2019, being the latest practicable date prior to the despatch of this Circular
"NA"	:	Net assets

"Proposed Investment from JOIN"	:	Proposed issuance and allotment of the Subscription Shares to JOIN at the Subscription Price
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SILS"	:	Swift Integrated Logistics Sdn Bhd (Company No. 112036-P)
"SSA"	:	Share subscription agreement dated 29 March 2019 entered into between our Company, TYGC and JOIN for the Proposed Investment from JOIN
"Subscription Price"	:	Cash subscription price of RM125.00 million pursuant to the Proposed Investment from JOIN
"Subscription Shares"	:	58,878,000 new TYGC Shares, representing 30% of the enlarged equity interest in TYGC
"TASCO" or "Company"	:	TASCO Berhad (Company No. 20218-T)
"TASCO Group" or "Group"	:	Collectively, TASCO and its subsidiaries
"TYGC"	:	TASCO Yusen Gold Cold Sdn Bhd (Company No. 616494-X), a wholly-owned subsidiary of TASCO
"TYGC Share(s)"	:	Ordinary shares in TYGC
"UOBKH" or "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Company No. 194990-K)

All references to "our Company" and "TASCO" in this Circular are to TASCO Berhad and references to "our Group" or "TASCO Group" are to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, our Group or any of our subsidiary companies. All references to "you" or "your" in this Circular are to the shareholders of TASCO.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

For ease of reading, certain figures in this Circular have been rounded. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

TABLE OF CONTENTS

NYK GROUP COMPANY

TASCO BERHAD

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

Registered Office:

802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor

25 April 2019

Board of Directors

Lee Check Poh	*(Executive Chairman)*
Lim Jew Kiat	*(Managing Director)*
Tan Kim Yong	*(Deputy Managing Director)*
Norihiko Yamada	*(Executive Director)*
Lee Wan Kai	*(Executive Director)*
Datuk Dr Wong Lai Sum	*(Independent Non-Executive Director)*
Kwong Hoi Meng	*(Independent Non-Executive Director)*
Raymond Cha Kar Siang	*(Independent Non-Executive Director)*
Raippan s/o Yagappan @ Raiappan Peter	*(Independent Non-Executive Director)*

To: **Our shareholders**

Dear Sir/Madam,

PROPOSED INVESTMENT FROM JOIN

1. INTRODUCTION

On 29 March 2019, we have announced that our Company and TYGC, our wholly-owned subsidiary had entered into a SSA with JOIN for the proposed issuance and allotment of 58,878,000 new ordinary shares (representing 30% of the enlarged equity interest) in TYGC to JOIN at the Subscription Price. Pursuant to the Proposed Investment from JOIN, TASCO's equity interest in TYGC will be diluted from 100% to 70%.

Further details of the Proposed Investment from JOIN are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED INVESTMENT FROM JOIN AS WELL AS TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED INVESTMENT FROM JOIN TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF OUR FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED INVESTMENT FROM JOIN TO BE TABLED AT OUR FORTHCOMING EGM, YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN.

2. DETAILS OF THE PROPOSED INVESTMENT FROM JOIN

The Proposed Investment from JOIN entails the issuance and allotment of the Subscription Shares by TYGC to JOIN, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto at the Subscription Price to be satisfied fully via cash in accordance with the mode of settlement as set out in **Section 2.5** of this Circular.

Upon completion of the Proposed Investment from JOIN, TASCO's equity interest in TYGC will be diluted from 100% to 70%.

2.1 Background information

As at the LPD, the issued share capital of TYGC is RM2,000,000 comprising 2,000,000 TYGC Shares.

In order to facilitate the Proposed Investment from JOIN, TYGC will be capitalising RM69.26 million out of the total shareholders' advances of RM194.26 million from TASCO via the issuance and allotment of 135,382,000 new TYGC Shares to TASCO, concurrently with the Proposed Investment from JOIN. The balance shareholders' advances of RM125.00 million will be repaid using the proceeds from the Proposed Investment from JOIN as set out in **Section 2.6** of this Circular.

The changes in the issued share capital of TYGC pursuant to the Proposed Investment from JOIN shall be as follows:-

	No. of TYGC Shares	Share capital (RM)
As at the LPD	2,000,000	2,000,000
Issuance of 135,382,000 new TYGC Shares to TASCO, pursuant to the Capitalisation of Shareholders' Advances	135,382,000	^69,260,000
Proposed Investment from JOIN	58,878,000	^125,000,000
After the Proposed Investment from JOIN	**196,260,000**	**196,260,000**

Note:-

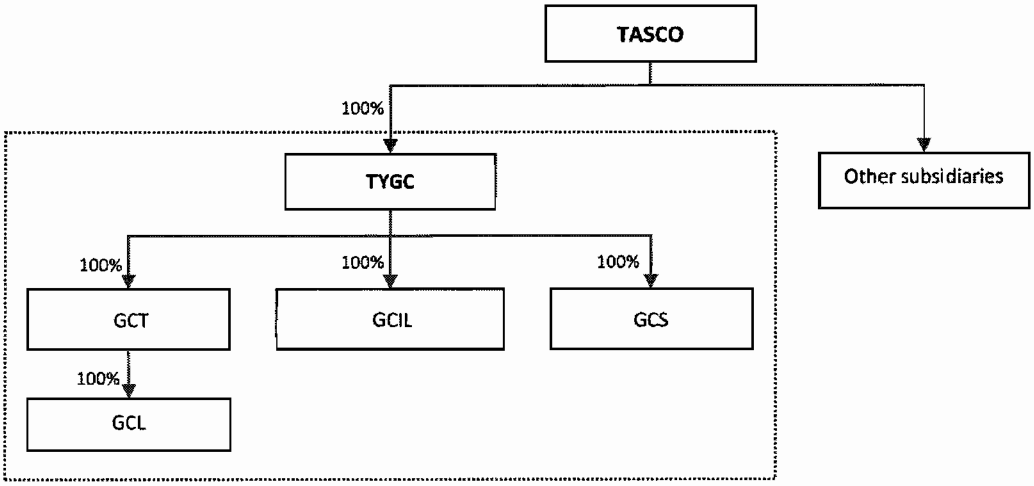
^ *The level of capitalisation and number of new TYGC Shares to be issued were derived based on the need to achieve the shareholdings ratio of 70:30 between TASCO and JOIN respectively as set out in the SSA.*

Upon completion of the SSA, the respective shareholdings of TASCO and JOIN in TYGC are as follows:-

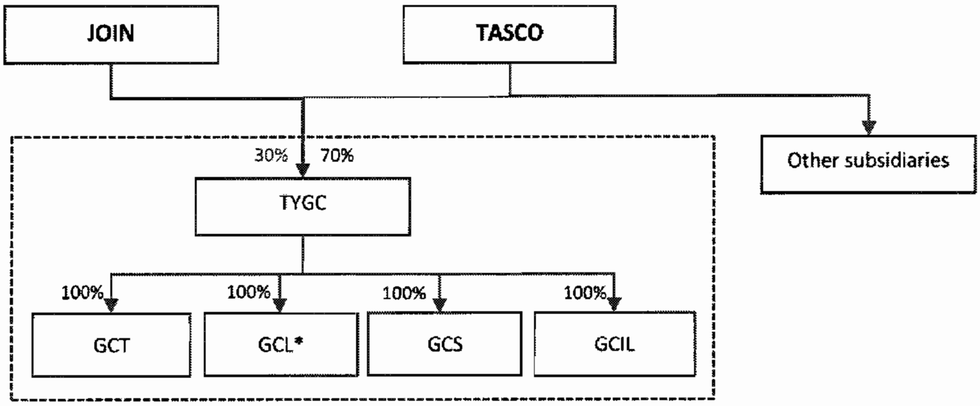
Shareholders	No. of TYGC Shares	%
TASCO	137,382,000	70.0
JOIN	58,878,000	30.0
Total	**196,260,000**	**100.0**

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

As at the LPD, the shareholdings structure of TYGC is as follows:-



Subsequent to the Capitalisation of Shareholders' Advances and the Proposed Investment from JOIN, the shareholdings structure of TYGC will be as follows:-



Note:-

* *GCT is in the process of transferring the entire issued share capital of GCL to TYGC ("**Transfer**"). Upon completion of the Transfer, GCL will become a direct wholly-owned subsidiary of TYGC resulting in a flatter and leaner corporate structure.*

Upon completion of the SSA, TASCO will enter into a shareholders' agreement with JOIN, setting out the rights and commitments of the shareholders of TYGC (namely TASCO and JOIN) as well as the conduct of the business and affairs of TYGC Group, which includes amongst others, board composition, dividend policy and matters requiring shareholders' approval.

2.2 Information on JOIN

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development was incorporated in Japan on 20 October 2014 under the Act on Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development, with its office located at Marunouchi Nakadori Building, Level 2F, 2-2-3 Marunouchi, Chiyoda-ku, Tokyo, Japan.

JOIN is a government-private sponsored fund in Japan that specialises in overseas infrastructure investment. Its role is to support and facilitate Japanese corporations to participate in the global infrastructure market, thereby expanding the business opportunities offered to affiliated corporations and operators. In addition to making joint investments with the private sector, the role of JOIN is to take initiatives to:-

(a) negotiate and discuss with the government (of the country in question) to mitigate foreseeable investment risks for Japanese corporates; and

(b) bring the best of Japan's technology and learned experience overseas to actively nurture capable human resource on-site.

The Minister of Finance, Japan owns 87.19% in JOIN, with the remaining shareholders consisting of various Japanese corporations. The directors of JOIN are Takuma Hatano, Fumio Inagawa, Yoshiko Shirata, Keisuke Takeuchi, Kazuyo Hachisuka, Toru Masutani and Jun Mizoguchi. None of the directors of JOIN have any direct or indirect shareholdings in JOIN.

Some of the recent investments made by JOIN are set out below:-

Date	Country	Description
19 Mar 2019	Myanmar	Investment in International Bulk Terminal (Thilawa) Co. Ltd. for the construction of a bulk terminal powered by silos and warehouse for grains and feed crops
18 Dec 2018	Thailand	Investment in the urban development project in Amata City Chonburi Industrial Estate to construct and manage a hotel and public facilities jointly with Fujita Corporation and AMATA Corporation PCL
24 Jan 2017	Indonesia	Investment in the Cold Storage Warehouse Project jointly with Kawanishi Warehouse Co., Ltd. for the construction and operation of cold storage rooms in Daiwa Manunggal Industrial Town in Indonesia

(Source: http://www.join-future.co.jp/english/index.html)

2.3 Information on TYGC

TYGC was incorporated in Malaysia on 27 May 2003 under the Companies Act, 1965 under the name of NYK Harimau Express (Malaysia) Sdn Bhd. On 16 May 2008, it changed its name to TASCO Express Sdn Bhd before adopting its current name on 17 July 2017.

TYGC has not undertaken any business activities in the past years until the Acquisitions which were completed on 12 July 2017 and 1 June 2018, respectively.

TYGC, through its wholly-owned subsidiaries, namely GCT, GCIL, GCS and GCL provides fully integrated cold chain and convenience retail logistics services encompassing amongst others, cold storage warehousing, temperature-controlled trucking, convenience retail distribution services, freight forwarding and customs clearance.

Further information on TYGC Group is set out in **Appendix I** of this Circular.

2.4 Basis and justification for the Subscription Price

The Subscription Price was negotiated based on the long-term strategic benefits and potential value accretion to be derived from the collaboration between TASCO Group and JOIN. As further explained in **Section 4** of this Circular, the parties intend to pool together resources to advance TYGC Group's expertise and technical capability in the area of cold chain logistics solutions, supported by JOIN's global network and links to the Japanese government.

The Subscription Price represents the balance of the shareholders' advances from TASCO to TYGC after the capitalisation of RM69.26 million via the issuance of 135,382,000 TYGC Shares to TASCO as set out in **Sections 2.1** and **2.8** of this Circular. The total shareholders' advances of RM194.26 million was previously utilised to part fund the Acquisitions at cash considerations of approximately RM185.62 million and RM9.93 million (excluding the assumption of loans received by GCIL from SILS of RM20.00 million), respectively.

We have sought the approval of our shareholders at our EGM held on 29 June 2017 for the Acquisitions as well as the acquisition of 6 parcels of leasehold land all located in Pulau Indah, West Port measuring approximately 159,935 square metres (or approximately 39.52 acres) from SILS ("**Pulau Indah Acquisition**"). Further details on the Acquisitions and the Pulau Indah Acquisition are set out in the circular to our shareholders dated 7 June 2017.

The Acquisitions were completed on 12 July 2017 and 1 June 2018, respectively. The source of funding for the Acquisitions was through bank borrowings obtained by TASCO and internally generated funds of TASCO which was then channelled to TYGC by way of shareholders' advances.

2.5 Mode of settlement

JOIN shall pay the Subscription Price within 7 business days from the date of the execution of the unconditional certificate that all conditions precedent contained in the SSA (as set out in **Section 3.3** of this Circular) have been satisfied (or waived, as the case may be). The payment of Subscription Price shall be effected by telegraphic or other electronic means or such other mode of payment as mutually agreed between TASCO, JOIN and TYGC.

2.6 Utilisation of proceeds

As at the LPD, TYGC has outstanding shareholders' advances from TASCO of approximately RM194.26 million which was utilised to part finance the Acquisitions. Out of this RM194.26 million, RM69.26 million will be capitalised via the issuance of 135,382,000 TYGC Shares to TASCO as set out in **Sections 2.1** and **2.8** of this Circular, whilst the remaining RM125.00 million will be repaid using the proceeds from the Proposed Investment from JOIN within 1 month from the receipt of the Subscription Price.

The entire proceeds of RM125.00 million which will accrue to TASCO Group upon settlement of the shareholders' advances is expected to be utilised by TASCO Group in the following manner:-

Utilisation	Estimated timeframe	Amount	
		(RM'000)	%
Repayment of bank borrowings(1)	Within 12 months from receipt of the Subscription Price	97,000	77.6
Working capital purposes(2)	Within 6 months from receipt of the Subscription Price	26,500	21.2
Estimated expenses relating to the Proposed Investment from JOIN(3)	Immediately upon receipt of the Subscription Price	1,500	1.2
TOTAL		**125,000**	**100.0**

Notes:-

(1) *As at the LPD, the total borrowings of TASCO Group stood at approximately RM328.37 million. TASCO has earmarked RM97.00 million towards reduction of this debt which primarily comprise of revolving credit facilities of approximately RM20.0 million and the remaining RM77.0 million will be utilised to repay term loans taken by TASCO Group to fund the Acquisitions. TASCO had previously taken up approximately RM140.00 million of term loan to fund these acquisitions. These term loans will be repaid on a staggered basis over the next 12 months, in accordance with the bank's loan repayment schedule.*

Assuming an average interest cost of 4.7% per annum, the repayment of bank borrowings is expected to result in interest savings of approximately RM4.56 million per annum.

(2) *The proceeds have been earmarked to supplement the working capital requirements of our Group which includes administrative and operating expenses, and payment to trade creditors. Administrative and operating expenses encompasses partial payment of staff salaries, utilities payment and repair/refurbishment cost while trade creditors payment are towards, amongst others, defraying cost relating to its air and ocean freight forwarding division, such as terminal handling charges, terminal port charges, airport charge and shipping line charges. The actual breakdown on the utilisation for each working capital component cannot be determined at this juncture as it depends on the prevailing working capital requirements of our Group at the point of utilisation.*

As our operations are funded through our internally generated funds and short-term bank borrowings, the proceeds will enable us to fund the day-to-day operations of our Group's on-going businesses and reduce reliance on our trade facilities (i.e. revolving credits). We aim to strengthen our working capital as we expect the operating expenditure of our Group to increase in line with the growth of our business.

(3) *The estimated expenses include professional fees, regulatory fees, printing and advertising costs, costs to convene the EGM and miscellaneous expenses in relation to the Proposed Investment from JOIN. Any excess or deficit of the estimated expenses from the actual amount would be adjusted from the amount earmarked for working capital purposes.*

Pending the utilisation of such proceeds, the monies (together with interest earned) will be placed in fixed deposits with financial institutions and/or short-term money market instruments.

2.7 Liabilities to be assumed by JOIN pursuant to the Proposed Investment from JOIN

Save for the obligations and liabilities arising from or in connection with the SSA and any additional capital injection/ shareholders' loan to be extended by JOIN to TYGC Group in proportion to its shareholding in TYGC, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by JOIN pursuant to the Proposed Investment from JOIN.

2.8 Original cost and date of investment

The details of the original cost and date of investment by TASCO in TYGC Shares are as follows:-

Date of investment	Number of TYGC Shares issued	Cost of investment (RM)
27 May 2003	2	2
23 May 2008	99,998	99,998
29 Sept 2017	1,900,000	1,900,000
Capitalisation of Shareholders' Advances *(date to be determined later)*	135,382,000	69,260,000
TOTAL	**137,382,000**	**71,260,000**

2.9 Cash company or Practice Note 17 ("PN17") of the Listing Requirements

The Proposed Investment from JOIN will not result in TASCO becoming a cash company or a PN17 issuer pursuant to Paragraphs 8.03 and 8.04 of the Listing Requirements.

3. SALIENT TERMS OF THE SSA

The salient terms of the Subscription Agreement are, amongst others, as set out below:-

3.1 Agreement to subscribe

Subject to the terms and conditions of the SSA, TYGC agrees to issue and allot and JOIN agrees to subscribe for 58,878,000 TYGC Shares representing 30% of the enlarged issued share capital of TYGC, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto.

Concurrently with the issuance and allotment of the Subscription Shares to JOIN, TYGC shall increase its issued share capital via the issuance and allotment of 135,382,000 TYGC Shares to TASCO for subscription. TASCO will fully pay up the Subscription Price to TYGC by way of Capitalisation of Shareholders' Advances on the Completion Date (as defined in **Section 3.4** of this Circular).

3.2 Subscription Price

The Parties hereby agree that the Subscription Price for the subscription of the Subscription Shares shall be fixed at RM125.00 million.

3.3 Conditions precedent

The completion of the SSA is expressly conditional upon the satisfaction or waiver by JOIN of the following conditions within 6 months from the date of the SSA or such other date as may be mutually agreed between the parties in writing ("**Longstop Date**"):-

(i) the warranties as defined in the SSA are true, accurate and correct and are not misleading in any material respect;

(ii) there is no occurrence of any matter and/or any event (other than a matter and/or an event as expressly stated or contemplated under the SSA) which has effect on the earnings or net asset value of TYGC Group in excess of RM12.0 million ("**Material Adverse Effect**");

(iii) TASCO having procured the relevant approval from its shareholders for Proposed Investment from JOIN and all other ancillary transactions contemplated in the SSA ("**Transaction**") in accordance with the applicable laws as defined in the SSA; and

(iv) TYGC having procured the relevant approval from its board of directors and shareholders for the Proposed Investment from JOIN in accordance with the applicable laws defined in the SSA.

(collectively, the "**Conditions Precedent**").

As at the LPD, none of the Conditions Precedent has been fulfilled and/or waived by the parties.

3.4 Completion

Upon the fulfilment of the Conditions Precedent and the execution of the unconditional certificate by TASCO and JOIN, the completion for the Proposed Investment from JOIN ("**Completion**") shall take place within 7 business days from the date of the unconditional certificate or such other date as may be mutually agreed by all the parties in writing ("**Completion Date**").

3.5 Undertaking

TASCO undertakes that, pending the Completion:-

(i) it shall not sell or otherwise transfer (i) all or any part of TYGC Shares or (ii) interest in or right relating to all or any part of TYGC Shares;

(ii) it shall not permit all or any part of TYGC Shares to become subject to, directly or indirectly, any encumbrance;

(iii) it shall not do any act or thing, or omit to do any act or thing which would (i) result in any breach of, or (ii) constitute any event of default under, any security, guarantee or indemnity granted by it in connection with any loans, advances, credit facilities, borrowings, leasing facilities or hire purchase facilities obtained by TYGC Group which are valid and effective prior to the Completion;

(iv) subject to Paragraph 2 of Schedule 2 of the SSA, it shall not, and shall procure that none of its (i) connected persons, and representatives, and/or (ii) affiliates, and their respective shareholders (if applicable), continue, solicit, initiate, encourage or enter into any discussions or negotiations with any third party relating to:-

(a) the sale and purchase of any of TYGC Shares;

(b) the sale or disposal of shares or other ownership rights in any of TYGC Group and/or any assets (or part thereof) of TYGC;

(c) any investment in any of TYGC Group; and/or

(d) any other arrangement or transaction which will preclude, restrict or delay the Transactions.

3.6 Termination

Notwithstanding anything contained in the SSA, the SSA (other than the surviving provisions of the SSA) may be terminated at any time prior to the Completion:-

(i) by JOIN in writing to TASCO and TYGC:-

(a) if the Conditions Precedent are not satisfied on or before the Longstop Date;

(b) if there is a breach of TASCO and/or TYGC's covenants, undertakings or obligations in the SSA, and TASCO and/or TYGC failed to remedy such breach which is capable of being remedied to JOIN's reasonable satisfaction within 10 business days after the date of JOIN's written notice to TASCO and TYGC requesting such breach to be remedied;

(c) if there is any material breach of any warranties or if any warranties prove to be incorrect, inaccurate or misleading in any material respect;

(d) if any event shall occur (other than an event constituting or giving rise to a breach of any of the Warranties) which has or is likely to have a Material Adverse Effect (as determined by JOIN); and/or

(e) if an insolvency event listed in the SSA ("**Insolvency Event**") occurs in respect of TASCO and/or TYGC prior to the Proposed Investment from JOIN;

(ii) by TASCO and/or TYGC in writing to JOIN:-

(a) if there is a breach of the JOIN's covenants, undertakings or obligations in the SSA, and JOIN failed to remedy such breach which is capable of being remedied to TASCO and/or TYGC's reasonable satisfaction within 10 business days after the date of TASCO and/or TYGC's written notice requesting such breach to be remedied;

(b) if there is any material breach of any investor warranties stated in the SSA ("**Investor Warranties**") or if any Investor Warranties proves to be incorrect, inaccurate or misleading in any material respect; and/or

(c) if an Insolvency Event occurs in respect of JOIN prior to Completion;

(iii) by either party, by written notice to the other party:-

(a) if it is or will become unlawful or illegal under the applicable laws as defined in the SSA for any party to observe, perform or comply with any one or more of its material obligations under the SSA;

(b) any party having received notice of any injunction or other order, directive or notice from any government authority restraining or prohibiting the consummation of the Transaction, or notice that any of the foregoing is pending or threatened; and/or

(c) any material provision of the SSA is or becomes for any reason, illegal or unlawful under the applicable laws as defined in the SSA,

provided that the right to terminate pursuant to (iii) above shall not be available to a party whose breach of its warranties, covenants, obligations or undertakings under the SSA in any respect shall have directly or indirectly caused the events set out in (a) to (c) above.

If all parties mutually agree in writing to terminate the SSA, and the SSA shall terminate on the date of such written agreement or such other date as may be specified by all parties in the written agreement.

4. RATIONALE OF THE PROPOSED INVESTMENT FROM JOIN

TYGC is the arm under our Group which provides cold chain and convenience retail logistics services. TYGC Group serves more than 40 customers, comprising multinational corporations with business operations in Malaysia contributing to the majority of its revenue.

TYGC is one of the market leaders for cold chain logistics in Malaysia due to the modern/up-to-date facilities it possesses and the capability to provide a comprehensive range of cold chain solutions and services. As at the LPD, TYGC has a fleet of approximately 200 reefer trucks and a combined temperature-controlled storage capacity of 37,000 pallet space supplied through its 2 logistics centres, namely:-

- Berjaya Industrial Logistics Centre in Shah Alam, being one amongst a handful of cold storage facilities in Malaysia that is capable of reaching -30^{0}C temperature for storage; and

- West Port Logistics Centre in West Port, being the largest cold chain warehouse in the Free Commercial Zone as gazetted by the Ministry of Finance, Malaysia.

The Proposed Investment from JOIN in TYGC is strategic in nature and will allow our Company to establish a partnership with the Japanese government-private sponsored fund in the cold chain and convenience retail logistics segment, which could potentially provide our Company with greater access to other markets in which JOIN has a presence. Further, the Proposed Investment from JOIN would bring knowledge and expertise to enable TYGC Group to grow its cold chain business and contribute positively to the future performance of TYGC, as well as enhancing TYGC's profile and reputation in the cold chain logistics industry.

In addition, the receipt of the Subscription Price would strengthen the cash flow and reduce the gearing of our Group, which arose from the funding for the Acquisitions and 6 parcels of leasehold land all located in Pulau Indah, West Port measuring approximately 159,935 square metres (or approximately 39.52 acres) between year 2017 and 2018. As set out in **Section 2.6** of this Circular, the proceeds will be mainly utilised towards the repayment of bank borrowings, which will reduce the gearing of our Group and expected to result in interest cost savings of approximately RM4.56 million annually.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5. RISK FACTORS

Despite the dilution of TASCO's shareholdings in TYGC, the Proposed Investment from JOIN is not expected to expose our Group to additional risks that are not currently faced by our Group since TYGC will remain as a subsidiary of TASCO.

However, you should carefully consider the following risk factors (which may not be exhaustive) that are relevant in relation to the Proposed Investment from JOIN, in addition to other information contained in this Circular.

5.1 Non-completion of the Proposed Investment from JOIN

The completion of the Proposed Investment from JOIN is subject to the fulfilment (or waiver, as the case may be) of the Conditions Precedent as set out in **Section 3.3** of this Circular.

There can be no assurance that such Conditions Precedent can be fulfilled (or waived, as the case may be) within the timeframe stipulated in the SSA. Nevertheless, our Company shall use our best endeavours to complete the Proposed Investment from JOIN within the timeframe stipulated in the SSA.

5.2 Dilution of future contribution from TYGC Group

Upon completion of the Proposed Investment from JOIN, our equity interest in TYGC will be diluted from 100% to 70%. Although we will continue to consolidate the revenue and profits from TYGC Group, TYGC Group's financial contribution to our Group will be limited to our 70% equity interest in TYGC.

While the Proposed Investment from JOIN is deemed as a strategic collaboration between JOIN and our Group, there can be no assurance that this collaboration will provide the expected benefits and value accretion to our Group. This dilution of future contribution from the TYGC Group is expected to be mitigated by the benefits to be derived from utilisation of proceeds as set out in **Section 2.6** of this Circular.

5.3 Contractual risk

We have given certain warranties and/or undertakings regarding the business/operations of TYGC (as set out in the SSA) in favour of JOIN. In this respect, TASCO may be subject to the risk of claims from JOIN in accordance with the terms and conditions of the SSA for the breach of any of the warranties and/or undertakings given.

In this regard, our Board and management endeavour to ensure compliance with the undertakings/obligations under the SSA in order to minimise the risk of any breach of the warranties and/or undertakings given.

5.4 Regulatory risk

The Proposed Investment from JOIN may be affected by changes in the regulatory environment in the relevant jurisdictions. Such risks include, but are not limited to, changes in government policies including changes in the applicable legislation on licensing and foreign shareholdings regulations. There can be no assurance that any unfavourable development in the prevailing regulatory environment will not have any material impact on the Proposed Investment from JOIN.

Nevertheless, we endeavour to ensure compliance with any changes in the regulatory environment in the relevant jurisdictions.

6. EFFECTS OF THE PROPOSED INVESTMENT FROM JOIN

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Investment from JOIN will not have any effect on the issued share capital and substantial shareholders' shareholdings of our Company as the Proposed Investment from JOIN does not involve any transfer of shares nor issuance of new shares in our Company.

6.2 Earnings and EPS

We will continue to consolidate the financial results and financial position of TYGC at our Group level with the recognition of corresponding non-controlling interests of 30% belonging to JOIN upon the completion of the Proposed Investment from JOIN. Effectively, we will have a 70% equity interest in TYGC upon completion of the Proposed Investment from JOIN.

Accordingly, the Proposed Investment from JOIN is expected to have an effect on the earnings and EPS of our Group for the FYE 31 March 2020. However, the proceeds received from the Proposed Investment from JOIN are expected to strengthen TASCO's financial position in view of the interest savings arising from the repayment of our existing external borrowings.

For illustrative purposes only, based on the latest audited consolidated financial statements of our Group for FYE 31 March 2018 and assuming the Proposed Investment from JOIN had been completed on 1 April 2017, the proforma effect of the Proposed Investment from JOIN is as follows:-

	Audited FYE 31 March 2018 (RM'000)	Proforma I After the adjustments to incorporate full year results of GCT and GCIL (1) (RM'000)	Proforma II After Proforma I and the Proposed Investment from JOIN (RM'000)
PAT attributable to shareholders of TASCO (RM'000)	29,399	33,774	(2)33,882
Number of TASCO Shares ('000)	200,000	200,000	200,000
EPS (sen)	14.70	16.89	16.94

Notes:-

(1) Assuming that the Acquisitions had been completed on 1 April 2017 and after adjusting for the following:-

(a) excluding GCT Group's audited PAT of RM5.46 million for FYE 31 March 2018 which represents approximately 18.59% of our Group's PAT for the FYE 31 March 2018; and

(b) including TYGC Group's proforma PAT of RM9.84 million for FYE 31 March 2018 based on the proforma combined financial information as set out in ***Section 10, Appendix I*** *of this Circular.*

(2) After taking into consideration the following:-

(a) the dilution of 30% PAT in TYGC Group pursuant to the Proposed Investment from JOIN;

(b) the estimated interest cost savings of approximate RM4.56 million assuming an average interest cost of 4.7% per annum pursuant to the utilisation of proceeds to be raised from the Proposed Investment from JOIN as set out in ***Section 2.6*** *of this Circular; and*

(c) the estimated expenses relating to the Proposed Investment from JOIN of RM1.50 million, comprising amongst others, professional fees, regulatory fees, printing and advertising costs and costs to convene the EGM as set out in ***Section 2.6*** *of this Circular.*

The Proposed Investment shall be accounted as change of TASCO's ownership in TYGC without losing control in accordance with the requirements of the relevant accounting standards. Such transaction will not result in any gain or loss to income statement of TASCO as TASCO will recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received, and attribute it to our shareholders.

6.3 NA, NA per share and gearing

For illustrative purposes only, assuming the Proposed Investment from JOIN had been completed on 1 April 2017, the proforma effect of the Proposed Investment from JOIN on the NA and gearing of our Group are set out below:-

	Audited as at FYE 31 March 2018 (RM'000)	Proforma I After adjustment for subsequent event[(1)] (RM'000)	Proforma II After Proforma I and the Proposed Investment from JOIN (RM'000)
Share capital	100,801	100,801	100,801
Revaluation reserve	1,401	1,401	1,401
Hedge reserve	(124)	(124)	(124)
Exchange translation reserve	(162)	(162)	(162)
Retained earnings	260,475	255,475	[(2)(3)] 320,281
Shareholders' fund / NA	**362,391**	**357,391**	**422,197**
Non-controlling interest	1,318	1,318	[(2)] 60,012
Total equity	**363,709**	**358,709**	**482,209**
Number of shares in issue ('000)	200,000	200,000	200,000
NA per share (RM)	1.81	1.79	2.11
Total borrowings	275,947	275,947	[(4)] 178,947
Gearing (times)	0.76	0.77	0.37

Notes:-

(1) Subsequent event incorporates the effect of the dividend of 2.5 sen per ordinary share of our Company, amounting to approximately RM5.0 million for the FYE 31 March 2018, which was paid on 13 July 2018.

(2) After adjusting based on the MFRS 10 whereby our Company shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received, and attribute it to our Company.

*(3) After taking into account the estimated expenses relating to the Proposed Investment from JOIN of RM1.50 million, comprising amongst others, professional fees, regulatory fees, printing and advertising costs and costs to convene the EGM as set out in **Section 2.6** of this Circular.*

*(4) After taking into account the repayment of borrowings of RM97.00 million as set out in **Section 2.6** of this Circular.*

7. APPROVALS REQUIRED

The Proposed Investment from JOIN is subject to the following approvals being obtained:-

(i) the shareholders of our Company at the forthcoming EGM; and

(ii) any other relevant authorities and/or parties, if required.

The Proposed Investment from JOIN is not conditional upon any other corporate exercises undertaken or to be undertaken by our Group.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, our Board expects the Proposed Investment from JOIN to be completed by middle of 2019.

The tentative timetable for the implementation of the Proposed Investment from JOIN is set out below:-

Month	Event
10 May 2019	EGM
Mid June 2019	- Fulfilment of all Conditions Precedent in relation to the SSA - Payment of the Subscription Price by JOIN - Completion of the Proposed Investment from JOIN

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors or major shareholders of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Investment from JOIN.

10. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Investment from JOIN (which is the subject matter of this Circular), there is no other outstanding proposal that has been announced by our Company but yet to be completed as at the LPD.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Investment from JOIN, including but not limited to, the basis and justification of the Subscription Price, salient terms of the SSA, rationale, and financial effects, is of the opinion that the Proposed Investment from JOIN is in the best interest of our Company and our shareholders and recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Investment from JOIN at the forthcoming EGM.

12. EGM

The EGM will be held at TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor on Friday, 10 May 2019 at 3.00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Investment from JOIN.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at our registered office at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor by Wednesday, 8 May 2019 at 3.00 p.m. or at any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instruction contained therein. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
TASCO BERHAD

LEE CHECK POH
Executive Chairman

INFORMATION ON TYGC GROUP

1. History and business

TYGC was incorporated in Malaysia on 27 May 2003 under the Companies Act, 1965 under the name of NYK Harimau Express (Malaysia) Sdn Bhd. On 16 May 2008, it changed its name to TASCO Express Sdn Bhd before adopting its current name on 17 July 2017.

TYGC has not undertaken any business activities in the past years until the Acquisitions which were completed on 12 July 2017 and 1 June 2018, respectively. GCT and GCIL commenced their business operations in 1998 and 2011, respectively. TYGC Group provides fully integrated cold chain and convenience retail logistics services encompassing amongst others, cold storage warehousing, temperature-controlled trucking, convenience retail distribution services, freight forwarding and customs clearance. TYGC Group serves more than 40 customers, comprising multinational corporations with business operations in Malaysia contributing to the majority of its revenue.

TYGC is one of the market leaders for cold chain logistics in Malaysia due to the modern/up-to-date facilities it possesses and the capability to provide a comprehensive range of cold chain solutions and services. As at the LPD, TYGC has a fleet of approximately 200 reefer trucks and a combined temperature-controlled storage capacity of 37,000 pallet space supplied through its 2 logistics centre, namely:-

- Berjaya Industrial Logistics Centre in Shah Alam, being one amongst a handful of cold storage facilities in Malaysia that is capable of reaching -30^{0}C temperature for storage; and

- West Port Logistics Centre in West Port, being the largest cold chain warehouse in the Free Commercial Zone as gazetted by the Ministry of Finance, Malaysia.

2. Share capital

As at the LPD, the share capital of TYGC is as follows:-

Type of shares	Number of TYGC Shares	Amount (RM)
Ordinary shares	2,000,000	2,000,000

3. Shareholders

As at the LPD, TYGC is a wholly-owned subsidiary of our Company.

4. Directors

As at the LPD, the details of TYGC's directors are as follows:-

			Direct		Indirect	
Name	Nationality	Designation	No. of TYGC Shares	%	No. of TYGC Shares	%
Lee Check Poh	Malaysian	Director	-	-	-	-
Tan Kim Yong	Malaysian	Director	-	-	-	-
Haris Fazail bin Haroon	Malaysian	Director	-	-	-	-
Lee Wan Kai	Malaysian	Director	-	-	-	-

5. Subsidiaries and associate companies

As at the LPD, the subsidiaries of TYGC are as follows:-

Companies	Date/Place of incorporation	Principal activities	Issued share capital (RM)	Equity interest
GCT	25 June 1998 / Malaysia	Transportation, cold room storage facilities, repackaging and value-added facilities	2,000,000	100.0%
GCL	12 July 2001 / Malaysia	Transportation, cold room storage facilities, repackaging and value-added facilities	250,000	100.0%
GCIL	7 June 2006 / Malaysia	To provide cold and chill storage services, cold chain logistics solutions	31,000,000	100.0%
GCS	26 March 2019 / Malaysia	Providing logistics services, transportation, warehousing distribution and marketing of goods and to provide storage, warehouses, cold storage and carrier of goods of every description.	10	100.0%

As at the LPD, TYGC has no associate companies.

6. Material contracts

As at the LPD, neither TYGC nor any of its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the LPD.

7. Material commitments

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by TYGC Group which, upon becoming enforceable, may have a material impact on the financial results or position of TYGC Group.

8. Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of TYGC Group.

9. Material litigation

As at the LPD, neither TYGC nor any of its subsidiaries is engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of TYGC Group, and the directors of TYGC do not have any knowledge of any proceeding pending or threatened against TYGC Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of TYGC Group.

10. Summary of financial information

TYGC has not undertaken any business activities in the past years until its Acquisitions which were completed on 12 July 2017 and 1 June 2018, respectively. Therefore, the latest available financial information of TYGC Group post completion of the Acquisitions is for the 9-month FPE 31 December 2018.

For comparative purposes, the proforma combined audited financial statements of GCT (which includes GCL) and GCIL for FYE 31 March 2016, 2017 and 2018 based on the assumption that the Acquisitions had been completed on 1 April 2015 are set out below:-

	Audited			Unaudited
	FYE 31 March 2016[1] (RM'000)	FYE 31 March 2017[2] (RM'000)	FYE 31 March 2018[3] (RM'000)	9-month FPE 31 December 2018 (RM'000)
Revenue	79,665	85,196	95,487	72,127
Profit before tax ("**PBT**")	11,155	10,880	12,953	8,989
Profit after tax	8,439	8,350	9,840	7,259
Share capital (RM)	33,000	33,000	33,000	2,000
Revaluation reserve	8,000	6,447	6,391	-
Retained earnings (RM)	15,816	23,722	33,618	12,976
Shareholders' fund/NA	**[4]56,816**	**[4]63,169**	**[4]73,009**	**14,976**
Number of TYGC Shares ('000)[5]	2,000	2,000	2,000	2,000
NA per share (RM)	28.41	31.58	36.50	7.49
Gross EPS (RM)	5.58	5.44	6.48	4.49
Net EPS (RM)	4.22	4.18	4.92	3.63
Borrowings[6]	54,740	52,391	49,232	44,267
Gearing ratio (times)	0.96	0.83	0.67	2.96
Current ratio	1.06	1.05	1.54	0.21

Notes:-

(1) The proforma combined financial information is based on the following:-

(i) audited consolidated financial statements of GCT and its subsidiary company, GCL, for the FYE 30 November 2015; and

(ii) audited financial statements of GCIL for the FYE 31 December 2015.

(2) The proforma combined financial information is based on the following:-

(iii) audited consolidated financial statements of GCT and its subsidiary company, GCL, for the FYE 30 November 2016; and

(iv) audited financial statements of GCIL for the FYE 31 December 2016.

(3) The proforma combined financial information is based on the following:-

(i) audited financial statements of GCT and GCL for the FYE 30 November 2017; and

(ii) audited financial statements of GCIL for the FYE 31 December 2017.

(4) The NA for FYE 31 March 2016 to 2018 are based on the combined NA of GCT and GCIL for the respective years.

(5) *Assuming the increase of TYGC Shares as set out in* ***Section 2.8*** *of this Circular has been effected since 1 April 2015.*

(6) *Excluding the amount owing to holding company.*

There has been no audit qualification on financial statements of TYGC Group for the past 3 FYE 31 March 2016, 2017 and 2018. There is no accounting policies adopted which are peculiar to the TYGC Group.

Commentary on financial performance:-

Audited for the FYE 31 March 2016

TYGC Group recorded an increase in revenue of RM9.7 million, or approximately 14% for the FYE 31 March 2016 as compared to FYE 31 March 2015. The increase was mainly due to the operation of an additional new warehouse in GCT which was completed during the year. TYGC Group recorded an increase in PBT of RM5.1 million, or approximately 55% in FYE 31 March 2016 as compared to FYE 31 March 2015. The improvement in PBT was mainly attributed to higher contribution derived from the additional pallet space rental in the new warehouse which has resulted in better absorption of overall fixed overhead costs.

Audited for the FYE 31 March 2017

TYGC Group recorded an increase in revenue of RM5.5 million, or approximately 7%, for FYE 31 March 2017 as compared to FYE 31 March 2016. The increase is due to GCT securing more business from its customers and favourable pricing revision with certain customers during the financial year. There is a slight decrease in TYGC Group's PBT of approximately RM0.28 million or approximately 2% in FYE 31 March 2017 as compared to FYE 31 March 2016. The decrease in PBT was mainly due to lower margins from new customers secured.

Audited for the FYE 31 March 2018

TYGC Group recorded an increase in revenue of RM10.3 million, or approximately 12%, for FYE 31 March 2018 as compared to FYE 31 March 2017. The increase is due to more business secured from its existing customers such as extending new service to one of its major customers by providing cross border trucking. TYGC Group recorded an increase in PBT of RM2.1 million or approximately 19% in FYE 31 March 2018 as compared to FYE 31 March 2017 mainly due to increase in revenue.

Unaudited for the 9-month FPE 31 December 2018

For the 9-month FPE 31 December 2018, TYGC Group recorded a revenue of RM72.1 million, as compared to the revenue of RM69.6 million recorded for the corresponding period, representing an increase in revenue of RM2.5 million or approximately 4%. The increase in revenue is due to higher business secured from existing customers mainly due to higher volume for warehouse pallet rental and services from its major customers and contribution from a new customer for warehouse and transportation services.

For the 9-month FPE 31 December 2018, TYGC Group recorded a PBT of RM9.0 million, as compared to the PBT of RM6.2 million recorded in the corresponding period. This represents an increase in PBT by RM2.8 million or approximately 45% increase compared to 9-month FPE 31 December 2017. The increase is due to higher revenue and cost rationalisation implemented which result in lower operating costs.

Company No.: 616494-X

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
31 MARCH 2018

Company No.: 616494-X

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS - 31 MARCH 2018

CONTENTS

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE	:	**Malaysia**
LEGAL FORM AND PLACE OF INCORPORATION	:	**A private company incorporated in Malaysia under the Companies Act 2016 and limited by shares**
REGISTERED OFFICE	:	**Suite 568-10-36, Level 10, Kompleks Mutiara, Batu 3 ½, Jalan Ipoh, 51200 Kuala Lumpur**
PRINCIPAL PLACE OF BUSINESS	:	**Lot No. 1A, Persiaran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan**

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors hereby submit their report and the audited financial statements of the Company for the year ended 31 March 2018.

CHANGE OF NAME

On 11 July 2017, the Company has changed its name from Tasco Express Sdn Bhd to Tasco Yusen Gold Cold Sdn Bhd.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and provides other related logistics services.

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

RESULTS

	RM
Loss for the year	561,530

DIVIDENDS

No dividend was paid or declared by the Company since the end of the previous financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 1,900,000 new ordinary shares for a total cash consideration of RM1,900,000, which was subscribed by its immediate holding company, TASCO Berhad. The issue proceed is for the purpose of additional working capital of the Company. The new ordinary shares issued rank pari passu in all respects with the then existing ordinary shares of the Company.

The Company did not issue any 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.

ULTIMATE HOLDING COMPANY

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

SUBSIDIARY COMPANY

Details of the subsidiary company is set out in note 6 to the financial statements.

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

DIRECTORS

The directors in office during the financial year to the date of the report are:

Lee Check Poh	
Haris Fazail Bin Haroon	
Lee Wan Kai	(Appointed on 25 September 2017)
Tan Kim Yong	(Appointed on 25 September 2017)

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 the following directors who held office at the end of the financial year, held shares in the Company or its immediate holding company or subsidiaries of the immediate holding company during the financial year were as follows:

	No. of ordinary shares			
	At 1.4.2017	Bought	Sold	At 31.3.2018
Related Company				
- Piala Kristal Sdn Bhd				
Haris Fazail Bin Haroon				
- direct interest	51,000	-	-	51,000
Related Company				
- Omega Saujana Sdn Bhd				
Haris Fazail Bin Haroon				
- direct interest	51,000	-	-	51,000

Pursuant to Section 59(3) of the Companies Act 2016, Lee Check Poh's, Lee Wan Kai's and Tan Kim Yong's interests in shares in the immediate holding company and subsidiaries are disclosed in the Directors' Report of the immediate holding company, TASCO Berhad.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit 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.

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.

INDEMNITY

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

OTHER INFORMATION

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

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and allowance for doubtful debts was not required; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company 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 it necessary to write off any debt or to make an allowance for doubtful debts in the financial statements of the Company; or

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

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

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

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

As at end of the financial year, the current liabilities of the Company exceeds its current assets by RM184,231,655. This condition indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to meet its 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 Company which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the 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 Company for the financial year in which this report is made.

AUDITORS

Details of auditors' remuneration is set out in note 12 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	HARIS FAZAIL BIN HAROON Director

Kuala Lumpur

Date: 24 May 2018

MAZARS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tasco Yusen Gold Cold Sdn Bhd *(formerly known as Tasco Express Sdn Bhd)*, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and of its 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 Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Wisma Selangor Dredging - 11th Flr, South Blk, 142-A - Jalan Ampang - 50450 Kuala Lumpur - Malaysia
Tel: +60 3 2161 5222 - Fax: +60 3 2161 3909 - contact@mazars.my - www.mazars.my

Mazars PLT (LLP0010622-LCA) (AF001954)
Chartered Accountants

Material uncertainty related to going concern

As at end of the financial year, the current liabilities of the Company exceeds its current assets by RM184,231,655. This condition indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to meet its obligations when they fall due. Our opinion is not modified in respect of this matter.

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 the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements 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 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 Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

MAZARS

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

MAZARS

Company No.: 616494-X

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.

Other Matter

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

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2018 J
Chartered Accountant

Kuala Lumpur

Date: 24 May 2018

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 RM	2017 RM
ASSETS			
Non current asset			
Investment in subsidiary company	*6*	185,616,671	-
Current assets			
Amount owing by immediate holding company	*7*	-	48,269
Amount owing by subsidiary company	*8*	36,293	-
Bank balance		28,384	1,977
Total current assets		64,677	50,246
TOTAL ASSETS		185,681,348	50,246
EQUITY AND LIABILITIES			
Equity			
Share capital	*9*	2,000,000	100,000
Accumulated losses		(614,984)	(53,454)
Total equity		1,385,016	46,546
Current liabilities			
Accruals and sundry payables		38,879	3,700
Amount owing to immediate holding company	*7*	184,257,453	-
Total liabilities		184,296,332	3,700
TOTAL EQUITY AND LIABILITIES		185,681,348	50,246

The accompanying notes form an integral part of the financial statements

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 RM	2017 RM
Revenue	*10*	167,342	-
Cost of services	*11*	(162,467)	-
Gross profit		4,875	-
Administrative expenses		(566,405)	(6,247)
Loss before tax	*12*	(561,530)	(6,247)
Tax expense	*13*	-	-
Loss for the year		(561,530)	(6,247)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss		(561,530)	(6,247)

The accompanying notes form an integral part of the financial statements

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

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

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Balance at 1 April 2016		100,000	(47,207)	52,793
Total comprehensive loss for the year		-	(6,247)	(6,247)
Balance at 31 March 2017		100,000	(53,454)	46,546
Issuance of ordinary shares	9	1,900,000	-	1,900,000
Total comprehensive loss for the year		-	(561,530)	(561,530)
Balance at 31 March 2018		2,000,000	(614,984)	1,385,016

The accompanying notes form an integral part of the financial statements

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax, representing operating loss before working capital changes	(561,530)	(6,247)
Changes in receivables	(36,293)	-
Changes in payables	35,179	-
Net cash used in operating activities	(562,644)	(6,247)
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from immediate holding company	-	6,247
Investment in a subsidiary company	(185,616,671)	-
Net cash (used in)/generated from investing activities	(185,616,671)	6,247
CASH FLOW FROM FINANCING ACTIVITIES		
Advances from immediate holding company	184,305,722	-
Proceeds from the issuance of share capital	1,900,000	-
Net cash generated from financing activities	186,205,722	-
NET DECREASE IN BANK BALANCE	26,407	-
BANK BALANCE BROUGHT FORWARD	1,977	1,977
BANK BALANCE CARRIED FORWARD	28,384	1,977

The accompanying notes form an integral part of the financial statements

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

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

1. GENERAL INFORMATION

The Company is a private limited liability company incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The immediate holding company is TASCO Berhad, a company incorporated and domiciled in Malaysia, which owns 100% (2017: 100%) of the issued share capital of the Company. TASCO Berhad is listed on the Main Board of Bursa Malaysia Securities Berhad.

The ultimate holding company is Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange.

The Company is an investment holding company and provides of other related logistics services.

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

2. FUNDAMENTAL ACCOUNTING CONCEPT

As at end of the financial year, the current liabilities of the Company exceeds its current assets by RM184,231,655. This condition indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to meet its obligations when they fall due. The financial statements have been prepared in conformity with the principles applicable to a going concern. The applicability of these principles is dependent upon continued availability of adequate finance in the future in view of the net current liabilities position. The immediate holding company has confirmed its intention to make available to the Company adequate funds as and when required to maintain the Company as a going concern.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

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

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

Fair value measurements are categorised as follows:

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

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

(a) Application of new or revised standards

In the current year, the Company applied a number of new standards, amendments and IC Interpretations that are mandatory for financial periods beginning on or after 1 April 2017.

The adoption of the new and revised standards, amendments and IC Interpretations does not have significant impact on the financial statements of the Company.

(b) Standards issued that are not yet effective

The Company has not applied the following standards, amendments and IC Interpretations that have been issued by the MASB and relevant to its operations but are not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendment to various MFRS Standards	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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

MFRS 9 *Financial Instruments*

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Company expects financial impact of adopting MFRS 9 for both classification of financial assets and financial liabilities and impairment assessment of financial assets will not be material on the Company's financial position and performance for the financial year ended 31 March 2018.

MFRS 15 Revenue from Contracts with Customers

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

The Company expects the financial impact of adopting MFRS 15 will not be material on the Company's financial statements for the financial year ended 31 March 2018.

4. 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.

There are no significant areas of critical judgements and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The Company is a wholly-owned subsidiary of TASCO Berhad, a company incorporated and domiciled in Malaysia. TASCO Berhad prepares its consolidated financial statements available for public use in accordance with MFRS and IFRS. Accordingly, the Company is exempted from presenting consolidated financial statements which incorporate the financial statements of its subsidiary, and presents the Company's financial statements as its only financial statements.

(b) Investment in subsidiary

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

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

(c) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

The Company does not have financial assets categorised as FVTPL, HTM investments and AFS financial assets.

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and bank balance.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment losses. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

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

Financial liabilities

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

The Company did not designate any financial liabilities at FVTPL.

Financial liabilities at amortised cost

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

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

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

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

(d) Impairment

Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Asset at cost

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate ruling at the date of acquisition of the financial asset. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

(e) Equity instruments

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

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

(f) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Revenue from labour services are recognised in profit or loss as and when services are rendered.

(g) 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 pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company is limited to the amount that it agrees to contribute to the EPF. The Company's contributions to EPF are charged to profit or loss in the period to which they relate.

(h) Taxation

The tax expense represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

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

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

(i) goodwill, or

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

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

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

6. INVESTMENT IN SUBSIDIARY COMPANY

	2018 RM	2017 RM
Unquoted shares, at cost	185,616,671	-

Details of the subsidiary company are as follows:

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

Subsidiary of Gold Cold Transport Sdn Bhd

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

 # Audited by Mazars PLT

7. AMOUNT OWING BY/TO IMMEDIATE HOLDING COMPANY

The amount owing by immediate holding company represents advances which are unsecured, non-interest bearing and receivable on demand.

The amount owing to immediate holding company represents advances which are unsecured, non-interest bearing and repayable on demand.

8. AMOUNT OWING BY SUBSIDIARY COMPANY

The amount owing by a subsidiary company represents trade balances which are subject to a normal trade term.

9. SHARE CAPITAL

	2018 Number of ordinary shares	2018 RM	2017 Number of ordinary shares	2017 RM
Issued and fully paid:				
At beginning of financial year	100,000	100,000	100,000	100,000
Issuance of shares	1,900,000	1,900,000	-	-
At end of financial year	2,000,000	2,000,000	100,000	100,000

Companies Act 2016 ("CA 2016") came into force on 31 January 2017 and pursuant to CA 2016:

- The concept of authorised share capital is abolished.
- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value.

There is no impact on the number of shares in issue as a result of this transition.

During the financial year, the Company issued 1,900,000 new ordinary shares for a total cash consideration of RM1,900,000 which was subscribed by its immediate holding company, TASCO Berhad. The issue proceed is for the purpose of additional working capital of the Company. The new ordinary shares issued rank pari passu in all respects with the then existing ordinary shares of the Company.

10. REVENUE

Revenue represents the invoiced value of services rendered to the subsidiary company.

11. COST OF SERVICES

	2018 RM	2017 RM
Staff related expenses	162,467	-

Included in the employee benefits expense are EPF contributions amounting to RM16,434 (2017: Nil) for the Company.

12. LOSS BEFORE TAX

	2018 RM	2017 RM
Loss before tax is stated after charging:		
Auditors' remuneration	3,200	3,200

13. TAX EXPENSE

No taxation has been provided in the financial statements as the Company does not have taxable income during the financial year (2017: Nil).

14. RELATED PARTY DISCLOSURE

(a) 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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Transactions with subsidiary company				
Labour charge received and receivable	167,342	-	36,293	-

(b) Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel are directors of the Company. There was no remuneration paid by the Company to the key management personnel during the financial year.

15. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	Loans and receivables	
	2018	2017
	RM	RM
Financial assets		
Amount owing by immediate holding company	-	48,269
Amount owing by subsidiary company	36,293	-
Bank balance	28,384	1,977
	64,677	50,246

	At amortised cost	
	2018	2017
	RM	RM
Financial liabilities		
Accruals and sundry payables	38,879	3,700
Amount owing to immediate holding company	184,257,453	-
	184,296,332	3,700

(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 date.

The carrying amount of financial assets and financial liabilities of the Company at the reporting date approximate their fair values.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Based on its current level of operations, the Company does not have any financial risk other than credit risk and liquidity and cash flow risks.

Credit risk

The credit risks arise from the amount owing by the immediate holding company and subsidiary company. The directors do not consider these credit risks to be significant as this arrangement is part of the immediate holding company's treasury management policy.

As at reporting date, there was no indication that the amount due from immediate holding company and subsidiary company are not recoverable.

The Company's trade in nature receivable is neither past due nor impaired at the reporting date.

The maximum exposure to credit risks is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity and cash flow risks

The Company manages its liquidity and cash flow profiles to ensure that business operations maintain optimum levels of liquidity at all times sufficient to meet its contractual obligations as and when they fall due.

Therefore, the policy seeks to ensure that the business operation, 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.

The Company relies on continuous financial support from its immediate holding company.

17. CAPITAL MANAGEMENT

The Company's primary objectives when managing its capital are to safeguard the Company's ability to continue as a going concern and to provide adequate returns to shareholders whilst sustaining future development of the business.

The Company actively and regularly reviews and manages its capital structure with a view to optimising the debt and equity balance. The Company monitors capital on the basis of total debt to equity ratio. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends 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.

18. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

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

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, Lee Check Poh and Haris Fazail Bin Haroon, being directors of Tasco Yusen Gold Cold Sdn Bhd *(formerly known as Tasco Express Sdn Bhd)*, do hereby state that, in the opinion of the directors, the financial statements set out on pages 11 to 27 **are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and financial performance and cash flows 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

HARIS FAZAIL BIN HAROON
Director

Kuala Lumpur

Date: 24 May 2018

TASCO YUSEN GOLD COLD SDN BHD
(formerly known as Tasco Express Sdn Bhd)
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Check Poh (IC No: 490424-10-5039), being the director primarily responsible for the financial management of Tasco Yusen Gold Cold Sdn Bhd *(formerly known as Tasco Express Sdn Bhd)*, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 11 to 27 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly
declared by the abovenamed
Lee Check Poh
at Kuala Lumpur
in the Federal Territory
this 24 May 2018

LEE CHECK POH

Before me:

PESURUHJAYA SUMPAH
No. W 663
Nama: BALOO A/L T.PICHAI
MALAYSIA

NO. 102 & 104 1st FLOOR BANGUNAN
PERSATUAN YAP SELANGOR
JALAN TUN HS LEE
50000 KUALA LUMPUR

Company No.: 464664 - M

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
30 NOVEMBER 2017

Company No.: 464664 - M

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS – 30 NOVEMBER 2017

CONTENTS

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Private company limited by way of shares incorporated in Malaysia under the Companies Act 2016
REGISTERED OFFICE	:	No 3, Jalan Sungai Kayu Ara 32/40 Seksyen 32, Taman Berjaya Park 40460, Shah Alam, Selangor
PRINCIPAL PLACE OF BUSINESS	:	No 3, Jalan Sungai Kayu Ara 32/40 Seksyen 32, Taman Berjaya Park 40460, Shah Alam, Selangor

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

The directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 30 November 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in rendering of transportation, cold room storage facilities, repackaging and value added facilities services.

The principal activity of the subsidiary is disclosed in note 6 to the financial statements.

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

RESULTS

	RM
Profit for the year	9,380,005

DIVIDENDS

No dividend was paid or declared by the Company since the end of the previous financial year.

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statement of changes in equity set out on page 14.

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.

SUBSIDIARY

Detail of the subsidiary is set out in note 6 to the financial statements.

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

As at the end of the financial year, the subsidiary did not hold any shares in the ultimate holding company or in other related corporations.

DIRECTORS

The directors in office during the financial year to date of this report are:

Lee Wan Kai	(Appointed on 12 July 2017)
Tan Kim Yong	(Appointed on 12 July 2017)
Haris Fazail Bin Haroon	(Appointed on 12 July 2017)
Chang Kok Fai	(Resigned on 12 July 2017)
Chan Sun Cheong	(Resigned on 12 July 2017)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the following director who held office at the end of the financial year, had shares in the related corporations during the financial year as follows:

	---------------- No. of ordinary shares ----------			
	At 1.12.2016	Bought	Sold	At 30.11.2017
Related Company - Piala Kristal Sdn Bhd				
Haris Fazail Bin Haroon - direct interest	51,000	-	-	51,000
Related Company - Omega Saujana Sdn Bhd				
Haris Fazail Bin Haroon - direct interest	51,000	-	-	51,000

Pursuant to Section 59 (3) of the Companies Act 2016, the interests of Lee Wan Kai and Tan Kim Yong in shares in holding and related corporations are disclosed in the Directors' Report of the intermediate holding company, TASCO Berhad (a company incorporated in Malaysia).

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; as set out in note 24(b)) 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.

OTHER INFORMATION

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

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realised in the ordinary course of business including their values of current assets as shown in the accounting records of the Company 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 write off for bad debt or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

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

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

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

(i) any charge on the assets 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 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 Company to meet its obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the 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 Company for the financial year in which this report is made.

AUDITORS

Auditors' remuneration is set out in note 21 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 WAN KAI
Director

TAN KIM YONG
Director

Kuala Lumpur

Date: 30 April 2018

MAZARS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gold Cold Transport Sdn Bhd, which comprise the statement of financial position as at 30 November 2017 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 11 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 November 2017, and of its financial performance and its 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 Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

WISMA SELANGOR DREDGING - 11TH FLR, SOUTH BLK, 142-A - JALAN AMPANG - 50450 KUALA LUMPUR - MALAYSIA
TEL: +60 3 2161 5222 - FAX: +60 3 2161 3909 - contact@mazars.my - www.mazars.my

MAZARS PLT (LLP0010622-LCA) (AF001954)
CHARTERED ACCOUNTANTS

MAZARS

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 the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements 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 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 Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 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 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.

MAZARS

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 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

MAZARS

Company No.: 464664 - M

Other Matters

(a) As stated in note 2(a) to the financial statements, the Company adopted Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board and International Financial Reporting Standards on 1 December 2016 with a transition date of 1 December 2015. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statement of financial position of the Company as at 30 November 2016 and 1 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended 30 November 2016 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 30 November 2017, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 December 2016 do not contain misstatements that materially affect the financial position as at 30 November 2017 and the financial performance and cash flows for the financial year then ended.

(b) This report is made solely to the members 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

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2018 J
Chartered Accountant

Kuala Lumpur

Date: 30 April 2018

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017

	Note	30.11.2017 RM	30.11.2016 RM (Restated)	1.12.2015 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	*5*	83,364,396	85,370,575	84,149,519
Investment in a subsidiary	*6*	250,000	250,000	250,000
Total non-current assets		83,614,396	85,620,575	84,399,519
Current assets				
Trade receivables	*7*	17,192,909	20,031,051	1,902,662
Other receivables, deposits and prepayments	*8*	745,550	3,367,484	1,475,119
Amounts owing by a subsidiary	*9*	842,355	-	10,955,828
Current tax asset		-	-	514,337
Deposits with licensed banks		4,034,760	1,014,130	-
Cash and bank balances		6,719,844	4,456,965	372,294
Total current assets		29,535,418	28,869,630	15,220,240
TOTAL ASSETS		113,149,814	114,490,205	99,619,759
EQUITY AND LIABILITIES				
Equity				
Share capital	*10*	2,000,000	2,000,000	2,000,000
Revaluation reserve	*11*	6,390,840	6,447,080	6,503,320
Retained earnings		33,842,289	24,406,044	20,517,010
Total equity		42,233,129	32,853,124	29,020,330

	Note	30.11.2017 RM	30.11.2016 RM (Restated)	1.12.2015 RM (Restated)
Non-current liabilities				
Deferred tax liability	*12*	2,695,679	2,740,477	3,030,231
Bank term loans	*13*	39,873,168	40,728,110	44,704,918
Hire purchase and finance lease liabilities	*14*	1,366,211	2,275,302	985,422
Total non-current liabilities		43,935,058	45,743,889	48,720,571
Current liabilities				
Trade payables	*15*	6,126,677	7,941,783	1,549,824
Other payables, accruals and deposits	*16*	3,204,740	7,130,991	11,757,575
Amount owing to intermediate holding company	*17*	179,795	-	-
Amounts owing to a subsidiary	*9*	9,861,174	9,397,265	-
Amount owing to directors	*18*	-	2,594,784	1,576,096
Bank term loans	*13*	5,878,428	6,410,820	6,410,820
Hire purchase and finance lease liabilities	*14*	1,163,165	1,551,767	584,543
Current tax liability		567,648	865,782	-
Total current liabilities		26,981,627	35,893,192	21,878,858
Total liabilities		70,916,685	81,637,081	70,599,429
TOTAL EQUITY AND LIABILITIES		113,149,814	114,490,205	99,619,759

The accompanying notes form an integral part of the financial statements

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017 RM	2016 RM (Restated)
Revenue	*19*	85,263,521	58,434,922
Cost of services		(64,528,072)	(45,835,155)
Gross profit		20,735,449	12,599,767
Other income		902,450	3,138,209
Administrative and general expenses		(6,976,502)	(5,525,633)
Finance costs	*20*	(2,358,126)	(2,515,308)
Profit before tax	*21*	12,303,271	7,697,035
Taxation	*22*	(2,923,266)	(1,864,241)
Profit for the year		9,380,005	5,832,794
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		9,380,005	5,832,794

The accompanying notes form an integral part of the financial statements

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
At 1 December 2015					
- As previously reported		2,000,000	8,000,000	19,412,472	29,412,472
- Prior year adjustments	*29*	-	(1,496,680)	1,104,538	(392,142)
At 1 December 2015, as restated		2,000,000	6,503,320	20,517,010	29,020,330
Total comprehensive income for the year					
- As previously reported		-	-	5,838,466	5,838,466
- Prior year adjustments	*29*	-	-	(5,672)	(5,672)
- As restated		-	-	5,832,794	5,832,794
Transfer of revaluation surplus	*11*	-	(56,240)	56,240	-
Dividend paid	*23*	-	-	(2,000,000)	(2,000,000)
At 30 November 2016		2,000,000	6,447,080	24,406,044	32,853,124
At 1 December 2016					
- As previously reported		2,000,000	7,075,000	22,862,438	31,937,438
- Prior year adjustments	*29*	-	(627,920)	1,543,606	915,686
At 1 December 2016, as restated		2,000,000	6,447,080	24,406,044	32,853,124
Total comprehensive income for the year		-	-	9,380,005	9,380,005
Transfer of revaluation surplus	*11*	-	(56,240)	56,240	-
At 30 November 2017		2,000,000	6,390,840	33,842,289	42,233,129

The accompanying notes form an integral part of the financial statements

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2017

	2017 RM	2016 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,303,271	7,697,035
Adjustments for:		
Allowance for doubtful debts	201,339	5,049
Bad debt written off	14,272	-
Depreciation of plant and equipment	4,248,034	3,430,805
Gain on disposal of property, plant and equipment	(87,264)	(485,053)
Property, plant and equipment written off	104,822	-
Interest expense	2,358,126	2,515,308
Interest income	(126,570)	(48,327)
Operating profit before working capital changes	19,016,030	13,114,817
Changes in receivables	5,244,465	(8,890,671)
Changes in payables	(2,006,930)	7,859,379
Cash generated from operations	22,253,565	12,083,525
Interest received	89,540	34,196
Tax paid, net of refund	(3,266,198)	(773,876)
Net cash generated from operating activities	19,076,907	11,343,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment (Note *(a)*)	(1,907,592)	(1,326,734)
Proceeds from disposal of plant and equipment	87,264	727,662
Advances to a subsidiary	(842,355)	-
Interest received	37,030	14,131
Net cash used in investing activities	(2,625,653)	(584,941)

	2017 RM	2016 RM (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/advances from a subsidiary	(3,090,723)	3,090,723
(Repayment to)/advances from a director	(2,594,784)	1,018,688
Repayment of hire purchase and finance lease liabilities	(1,736,778)	(1,277,398)
Drawdown of term loan	12,000,000	-
Repayment of term loan	(13,387,334)	(3,976,808)
Interest paid	(2,358,126)	(2,515,308)
Dividend paid	-	(2,000,000)
Net cash used in financing activities	(11,167,745)	(5,660,103)
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,283,509	5,098,801
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	5,471,095	372,294
CASH AND CASH EQUIVALENTS CARRIED FORWARD	10,754,604	5,471,095
Represented by:		
Fixed deposits with licensed banks	4,034,760	1,014,130
Cash and bank balances	6,719,844	4,456,965
	10,754,604	5,471,095

Note (a)

PURCHASE OF PLANT AND EQUIPMENT

During the financial year, the Company made the following cash payment for the purchase plant and equipment:

	2017 RM	2016 RM
Purchase of plant and equipment (Note 5)	2,346,677	4,894,470
Less: Finance by hire purchase and finance lease agreements	(439,085)	(3,567,736)
Cash payment on purchase of plant and equipment	1,907,592	1,326,734

The accompanying notes form an integral part of the financial statements

GOLD COLD TRANSPORT SDN BHD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

1. GENERAL INFORMATION

Gold Cold Transport Sdn Bhd (the "Company") is a private limited liability company incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The ultimate holding company is Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange.

The immediate holding company is Tasco Yusen Gold Cold Sdn Bhd (formerly known as *Tasco Express Sdn Bhd*), a company incorporated in Malaysia, which owns 100% (2016: nil) of the issued share capital of the Company.

The intermediate holding company is TASCO Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. TASCO Berhad produces consolidated financial statements available for public use and comply with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS"). Accordingly, the Company has applied exemption from presenting consolidated financial statements which incorporate the financial statements of its subsidiary.

The Company is principally engaged in rendering of transportation, cold room storage facilities, repackaging and value added facilities services.

The principal activity of the subsidiary is disclosed in note 6 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 Company have been prepared in accordance with MFRS issued by the MASB, IFRS and the requirements of the Companies Act 2016 in Malaysia.

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

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

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

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

(a) Adoption of MFRSs

These are the Company's first financial statements prepared in accordance with MFRSs. The MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*, has been applied. In the previous years, the financial statements of the Company were prepared in accordance with Private Entity Reporting Standards ("PERS") in Malaysia.

In presenting its first set of MFRS financial statements, the Company quantified the financial effects arising from the differences between MFRS and the previously applied PERS. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Company. The Company has assessed the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRS, and the use of optional exemptions as provided for in MFRS 1, where applicable. The adjustments arising from transition to MFRS were effected retrospectively and are shown in Note 29 to the financial statements.

The accounting policies set out below have been applied in preparing the financial statements of the Company for the year ended 30 November 2017, together with the comparative information as at and for the year ended 30 November 2016.

(b) Standards issued that are not yet effective

The Company has not applied the following new standards, amendments and IC Interpretation that have been issued by the MASB relevant to its operations but are not yet effective:

		Effective date
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 9	Prepayment features with Negative Compensation	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019

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

MFRS 9, *Financial Instruments*

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Company is assessing the impact to the financial statements upon adopting MFRS 9, and will adopt this standards on the mandatory effective date.

MFRS 15 *Revenue from Contracts with Customers*

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

The Company is assessing the impact to the financial statements upon adopting MFRS 15, and will adopt this standards on the mandatory effective date.

MFRS 16 *Leases*

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

(i) Recognition and measurement

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

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

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the 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*

The 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:

Buildings	2%
Cold room, cabin, plant & machinery	5%-20%
Office equipment, furniture, fittings & computer	10%-50%
Motor lorries	20%-33.33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(b) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

The Company's financial assets are all categorised as loans and receivables.

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment losses. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

All financial assets are subject to review for impairment.

Financial liabilities

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

The Company's financial liabilities are all categorised as financial liabilities at amortised cost which are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

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

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

(c) Impairment

All financial assets are assessed at the reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

(i) Financial assets

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed in subsequent periods.

(ii) Non-financial assets

Property, plant and equipment and deferred tax 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.

(d) Equity instruments

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

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

(e) Revaluation reserve

Fair value adjustments on property, plant and equipment are transferred from retained profits to capital reserve and such surplus will be considered distributable through the use of the property, plant and equipment.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

(i) Revenue from services rendered is recognised in profit or loss upon services rendered.

(ii) Rental income is recognised on a straight line basis over the lease terms.

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

(g) Leases

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

Finance lease

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

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

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

Operating lease

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

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

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are capitalised as part of the cost of those assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(i) 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 pays monthly contributions to the Employees Provident Fund ("the EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company 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.

(j) Taxation

The tax expense represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

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

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

(i) goodwill, or

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

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

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

(k) 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.

(l) Goods and Services Tax ("GST")

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

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

4. 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) *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 2 to 50 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.

(ii) *Impairment of receivables*

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

The Company assesses at each reporting date whether there is any objective evidence that receivables have been impaired. To determine whether there is objective evidence of impairment, a considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor.

If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(iii) *Income taxes*

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land & buildings	Cold room, cabin, plant & machinery	Office equipment, furniture, fittings & computer	Motor lorries	Total
Cost	RM	RM	RM	RM	RM
At 1.12.2016	90,333,522	5,125,643	1,532,624	22,888,115	119,879,904
Additions	-	455,983	201,927	1,688,767	2,346,677
Disposals	-	-	-	(458,149)	(458,149)
Write-offs	-	-	(83,943)	(528,113)	(612,056)
Reclassification	-	809,588	(809,588)	-	-
At 30.11.2017	90,333,522	6,391,214	841,020	23,590,620	121,156,376
Accumulated depreciation					
At 1.12.2016	13,949,413	2,346,731	593,045	17,620,140	34,509,329
Charge for the year	1,361,788	431,167	100,245	2,354,834	4,248,034
Disposals	-	-	-	(458,149)	(458,149)
Write-offs	-	-	(83,943)	(423,291)	(507,234)
At 30.11.2017	15,311,201	2,777,898	609,347	19,093,534	37,791,980
Net carrying amount					
At 30.11.2017	75,022,321	3,613,316	231,673	4,497,086	83,364,396

2016 *(Restated)*	Freehold land & buildings RM	Cold room, cabin, plant & machinery RM	Office equipment, furniture, fittings & computer RM	Motor lorries RM	Total RM
Cost					
At 1.12.2015					
- As previously reported	86,346,126	7,585,596	560,210	22,153,892	116,645,824
- Prior year adjustments	1,541,494	-	-	-	1,541,494
At 1.12.2015, as restated	87,887,620	7,585,596	560,210	22,153,892	118,187,318
Additions	55,095	-	903,268	3,936,107	4,894,470
Disposals	-	-	-	(3,201,884)	(3,201,884)
Reclassification	2,390,807	(2,459,953)	69,146	-	-
At 30.11.2016	90,333,522	5,125,643	1,532,624	22,888,115	119,879,904
Accumulated depreciation					
At 1.12.2015					
- As previously reported	7,734,020	6,269,197	517,410	18,911,014	33,431,641
- Prior year adjustments	606,158	-	-	-	606,158
At 1.12.2015, as restated	8,340,178	6,269,197	517,410	18,911,014	34,037,799
Charge for the year	1,376,877	348,483	37,044	1,668,401	3,430,805
Disposals	-	-	-	(2,959,275)	(2,959,275)
Reclassification	4,232,358	(4,270,949)	38,591	-	-
At 30.11.2016	13,949,413	2,346,731	593,045	17,620,140	34,509,329
Net carrying amount					
At 30.11.2016, as restated	76,384,109	2,778,912	939,579	5,267,975	85,370,575

The freehold land and buildings of the Company are pledged as security by way of a fixed charge for certain bank borrowings (Note 13).

Included in the net carrying amount of motor lorries amounting to RM2,756,241 (2016: RM5,267,975) which are held under hire purchase and finance lease arrangements.

6. INVESTMENT IN A SUBSIDIARY

	2017 RM	2016 RM
Unquoted shares, at cost	250,000	250,000

Detail of the subsidiary is as follow:

	Equity interest 2017 %	 2016 %	Country of incorporation	Principal activity
GC Logistics Sdn Bhd*	100	100	Malaysia	Rendering of transportation, cold room storage facilities, repackaging and value added facilities services

* *Audited by Mazars PLT*

7. TRADE RECEIVABLES

	2017 RM	2016 RM (Restated)
Gross trade receivables	16,158,916	20,109,469
Allowance for doubtful debts	(279,757)	(78,418)
Net trade receivables	15,879,159	20,031,051
Accrued income	1,313,750	-
	17,192,909	20,031,051

The normal credit term ranges between 30 to 75 (2016: 30 to 75) days.

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017 RM	2016 RM
Other receivables	129,393	3,069,426
Refundable deposits	113,354	142,503
Prepayments	502,803	155,555
	745,550	3,367,484

In prior year, included in other receivables is an amount of RM2,429,286 which represents amounts owing by related company where a former director of the Company had financial interest. The unsecured interest free amount was fully settled during the year.

9. AMOUNTS OWING BY/(TO) A SUBSIDIARY

The amounts owing by/(to) a subsidiary comprised of:

	2017 RM	2016 RM (Restated)
Trade	(9,861,174)	(6,306,542)
Non-trade	842,355	(3,090,723)
	(9,018,819)	(9,397,265)

The trade balances are expected to be settled within the normal credit periods. The non trade balances are non-interest bearing advances which are unsecured and receivable/(payable) on demand.

10. SHARE CAPITAL

	2017 Number of ordinary shares	2016 Number of ordinary shares	2017 RM	2016 RM
Issued and fully paid:				
At 1 December/ 30 November	2,000,000	2,000,000	2,000,000	2,000,000

The new Companies Act 2016 which came into effect on 31 January 2017 abolished the concept of authorised share capital and par value of share capital.

The changes do not give rise to the change in the number of shares in issue or the relative entitlement of any of the Company's shareholders.

11. REVALUATION RESERVE

	2017 RM	2016 RM (Restated)
At 1 December		
- As previously reported	6,447,080	8,000,000
- Prior year adjustments	-	(1,496,680)
At 1 December, as restated	6,447,080	6,503,320
Transfer of revaluation reserve	(56,240)	(56,240)
At 30 November	6,390,840	6,447,080

12. DEFERRED TAX LIABILITY

	2017 RM	2016 RM (Restated)
At 1 December		
- As previously reported	2,233,657	1,702,753
- Prior year adjustments	506,820	1,327,478
At 1 December, as restated	2,740,477	3,030,231
Recognised in profit or loss	(44,798)	(289,754)
At 30 November	2,695,679	2,740,477

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

	2017 RM	2016 RM (Restated)
Tax effects of temporary differences:		
- between net carrying amount and tax written down value of property, plant and equipment	2,887,261	2,759,297
- allowance for doubtful debts	(67,142)	(18,820)
- others	(124,440)	-
	2,695,679	2,740,477

13. BANK TERM LOANS

	2017 RM	2016 RM
The bank term loans are repayable as follows:		
- not later than one year *(included under current liabilities)*	5,878,428	6,410,820
- later than one to five years *(included under non-current liabilities)*	39,873,168	40,728,110
	45,751,596	47,138,930

Bank term loans are repayable as follow:		
- not later than one year	5,878,428	6,410,820
- later than one year but not later than five years	29,392,140	31,604,345
- later than five years	10,481,028	9,123,765
	45,751,596	47,138,930

The details of the bank term loans are as follows:

Principal Amount RM	Monthly Installment RM	Commencing on	Interest rate per annum	2017 RM	2016 RM
2,920,000	24,641	July 2008	BLR-1.75%	-	1,457,151
12,597,000	106,301	June 2009	BLR-1.75%	-	7,546,178
2,786,000	23,510	June 2009	BLR-1.75%	-	1,667,459
22,000,000	163,284	April 2010	BLR-1.80%	16,319,730	17,690,007
7,089,000	54,593	December 2011	BLR-2.00%	4,887,554	3,816,516
12,640,000	97,342	May 2014	BLR-2.00%	10,495,371	12,640,003
1,500,000	11,522	July 2014	BLR-2.00%	1,256,021	1,332,667
170,880	1,082	December 2015	BLR-2.00%	161,253	166,875
166,680	1,056	December 2015	BLR-2.00%	157,289	162,774
167,280	1,060	December 2015	BLR-2.00%	157,855	163,360
167,880	1,063	December 2015	BLR-2.00%	158,421	163,946
169,680	1,075	December 2015	BLR-2.00%	160,120	165,704
170,280	1,077	December 2015	BLR-2.00%	160,686	166,290
12,000,000	110,086	February 2017	BLR-2.00%	11,837,296	-
				45,751,596	47,138,930

The term loan facilities are secured against the followings:

i) Legal charge over the freehold land, buildings and warehouses of the Company; and

ii) Guaranteed by intermediate holding company.

The effective interest rates of the bank term loans ranged between 4.49% to 4.83% (2016: 4.82% to 5.01%) per annum.

14. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	2017 RM	2016 RM
Future instalments payable		
- not later than one year	1,401,200	1,665,976
- later than one year but not later than five years	1,235,750	2,368,894
Total future instalments payable	2,636,950	4,034,870
Unexpired term charges	(107,574)	(207,801)
Total outstanding principal	2,529,376	3,827,069
Outstanding principal		
- not later than one year (*included under current liabilities*)	(1,163,165)	(1,551,767)
- later than one year but not later than five years (*included under non-current liabilities*)	1,366,211	2,275,302

The effective interest rates of the hire purchase and finance lease liabilities are ranged between 2.95% to 3.20% (2016: 2.95% to 3.20%) per annum.

15. TRADE PAYABLES

The credit terms granted to the Company ranged from 30 to 60 (2016: 30 to 60) days.

In prior year, included in trade payables is an amount of RM824,679 which represents amounts owing to a related company where a former director of the Company had financial interest. The unsecured interest free amount was fully settled during the year.

16. OTHER PAYABLES, ACCRUALS AND DEPOSITS

	2017 RM	2016 RM (Restated)
Other payables	-	4,184,506
Accruals	2,933,395	2,943,485
Deposits	3,114	3,000
GST payable	268,231	-
	3,204,740	7,130,991

In prior year, included in other payables is an amount of RM1,968,499 which represents amounts owing to related companies where a former director had interest in these companies. The unsecured interest free amount was fully settled during the year.

17. AMOUNT OWING TO INTERMEDIATE HOLDING COMPANY

The amount owing to intermediate holding company represents trade balance which is expected to be settled within the normal credit periods.

18. AMOUNT OWING TO DIRECTORS

The amount owing to directors was unsecured, interest free and fully settled during the year.

19. REVENUE

	2017 RM	2016 RM
Warehousing	28,453,860	25,064,004
Transportation	56,491,661	33,172,918
Rental of trucks	318,000	198,000
	85,263,521	58,434,922

20. FINANCE COSTS

	2017 RM	2016 RM
Interest on hire purchases	18,749	77,534
Interest on finance lease	112,000	3,763
Interest on term loans	2,227,377	2,434,011
	2,358,126	2,515,308

21. PROFIT BEFORE TAX

	2017 RM	2016 RM (Restated)
Profit before tax is stated after charging:		
Auditors' remuneration	50,000	24,000
Allowance for doubtful debts	201,339	5,049
Bad debt written off	14,272	-
Depreciation on property, plant and equipment	4,248,034	3,430,805
Property, plant and equipment written off	104,822	-
and crediting:		
Interest income		
- deposits from licensed bank	37,030	14,131
- current accounts	89,540	34,196
Gain on disposal of property, plant and equipment	87,264	485,053
Rental income	44,800	2,460,600

22. TAXATION

	2017 RM	2016 RM (Restated)
Malaysian tax:		
- current year	2,968,064	2,153,995
Deferred tax:		
- origination/(reversal) of temporary differences	542,591	(289,754)
- overprovision in prior year	(587,389)	-
	(44,798)	(289,754)
	2,923,266	1,864,241

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:

	2017 RM	2016 RM (Restated)
Profit before tax	12,303,271	7,697,035
Tax at applicable statutory tax rate of 24%	2,952,785	1,847,288
Tax incentive obtained from differential tax rate of 0% (2016:19%)	-	(25,000)
Non-deductible expenses	557,870	226,476
Non-taxable income	-	(184,523)
Overprovision in prior year	(587,389)	-
	2,923,266	1,864,241

23. DIVIDEND

	2017 RM	2016 RM
In respect of the financial year ended 30 November 2016:		
- Interim single tier dividend of RM1 per share	-	2,000,000

24. RELATED PARTY DISCLOSURES

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

	--- Transaction value ---		-- Balance outstanding --	
	2017 RM	2016 RM	2017 RM	2016 RM
Transactions with intermediate holding company				
Handling charges paid or payable	25,300	-	25,300	-
Labour charges paid or payable	154,495	-	154,495	-

	--- Transaction value ---		-- Balance outstanding --	
	2017	2016	2017	2016
	RM	RM	RM	RM
Transactions with a subsidiary				
Truck rental paid or payable	3,231,977	5,388,645	9,861,174	6,306,542
Transportation paid or payable	-	85,863	-	-
Truck rental received or receivable	-	1,320,106	-	-
Rental expenses received or receivable	-	2,000,000	-	-
Advances given	842,355	-	842,355	-
Advances received	3,090,723	-	-	3,090,723
Reimbursement of expenses	121,449	-	-	-
Transactions with companies which a former director have interest				
Truck rental income received or receivable	-	36,000	-	2,429,286
Truck rental expense paid or payable	-	1,175,387	-	1,968,499
Transportation paid or payable	-	58,575	-	824,679

(b) Compensation of key management personnel

	2017	2016
Director	RM	RM
Short-term employee benefits - salaries and bonus	235,600	224,000
Post-employment benefits - EPF	37,696	33,120
	273,296	257,120

25. OPERATING LEASE COMMITMENTS

The Company as lessee

The Company leases plant and equipment under a non-cancellable operating lease arrangement from third parties with initial period of 2 to 5 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:

	2017 RM	2016 RM
Not later than one year	327,087	427,440
Later than one year but not later than 5 years	355,462	688,485
	682,549	1,115,925

26. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	2017 RM	2016 RM (Restated)
Financial assets	*Loans and receivables*	
Trade and other receivables	17,435,656	23,242,980
Amounts owing by a subsidiary	842,355	-
Deposits with licensed banks	4,034,760	1,014,130
Cash and bank balances	6,719,844	4,456,965
Total financial assets	29,032,615	28,714,075
Financial liabilities	*At amortised cost*	
Trade and other payables	9,063,186	15,072,774
Amount owing to intermediate holding company	179,795	-
Amounts owing to a subsidiary	9,861,174	9,397,265
Amount owing to directors	-	2,594,784
Bank term loans	45,751,596	47,138,930
Hire purchase and finance lease liabilities	2,529,376	3,827,069
Total financial liabilities	67,385,127	78,030,822

(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 Company at the reporting date approximate their fair values, except for its hire purchase and finance lease liabilities.

	Carrying amount RM	Fair value RM
2017		
Hire purchase and finance lease liabilities	2,529,376	2,621,433
2016		
Hire purchase and finance lease liabilities	3,827,069	3,280,756

The fair value of hire purchase and finance lease liabilities is determined by discounting the expected future cash flow based on current rates for similar types of leasing arrangements.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company overall financial risk management objectives and policies is to ensure that the Company creates value and maximises returns to its shareholders.

The Company's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity and cash flow risks arising in the normal course of businesses.

The directors monitor financial position closely with an objective to minimise potential adverse effects on the financial performance of the Company. The directors review and agree on policies for managing each of these risks and they are summarised below:

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 Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from deposits with licensed bank.

Interest rate risk arising from bank term loan is subject to floating interest rate with the interest rate spread above the bank's base lending rate agreed before the facility is accepted.

Surplus funds are placed with reputable licensed banks, which generate interest income to the Company. The Company manages its interest rate risk by placing such balances on short tenures of three months or less.

A sensitivity analysis has been performed based on the outstanding floating rate bank term loans of the Company as at year end. If interest rate increases or decreases by 50 basis points with all other variables held constant, the Company profit before tax would increase or decrease by RM232,000 (2016: RM245,000), as a result of lower or higher interest expense on the bank term loans.

Credit risk

Credit risk is the risk of loss that may arise should a counterparty default on its obligations.

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

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

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

As at the reporting date, there was no indication that the trade receivables are not recoverable.

The ageing analysis of trade receivables which are trade in nature as at year end is as follows:

2017	Gross RM	Impairment RM	Net RM
Not past due	7,324,530	-	7,324,530
Less than 30 days past due	5,293,267	-	5,293,267
Between 30 and 90 days past due	3,215,401	-	3,215,401
More than 90 days past due	325,718	(279,757)	45,961
	16,158,916	(279,757)	15,879,159

2016	Gross RM	Impairment RM	Net RM
Not past due	7,716,127	-	7,716,127
Less than 30 days past due	7,215,971	-	7,215,971
Between 30 and 90 days past due	5,023,049	-	5,023,049
More than 90 days past due	154,322	(78,418)	75,904
	20,109,469	(78,418)	20,031,051

The movements in the allowance for impairment losses of trade receivables during the year is as follow:

	2017 RM	2016 RM
At beginning of the year	78,418	73,369
Allowance for doubtful debts	201,339	5,049
At end of the year	279,757	78,418

Liquidity and cash flow risks

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

The policy seeks to ensure that the Company, 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 Company seeks to maintain sufficient credit lines to meet its liquidity requirements while ensuring an effective working capital management within the Company.

The table below summarises the maturity profile the Company's financial liabilities at 30 November 2017 based on the contractual undiscounted cash flows.

2017	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade and other payables	9,063,186	-	-	9,063,186
Amount owing to intermediate holding company	179,795	-	-	179,795
Amount owing to a subsidiary	9,861,174	-	-	9,861,174
Hire purchase liabilities	1,401,200	1,235,750	-	2,636,950
Bank term loans	5,878,428	31,416,579	10,910,386	48,205,393
Total undiscounted financial liabilities	26,383,783	32,652,329	10,910,386	69,946,498
2016				
Trade and other payables	15,072,774	-	-	15,072,774
Amount owing to a subsidiary	9,397,265	-	-	9,397,265
Amount owing to directors	2,594,784	-	-	2,594,784
Hire purchase liabilities	1,665,976	2,368,894	-	4,034,870
Bank term loans	6,410,820	33,007,706	9,389,786	48,808,312
Total undiscounted financial liabilities	35,141,619	35,376,600	9,389,786	79,908,005

28. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to ensure that it maintains appropriate capital base in order to support its existing business operations and enable future development of the businesses as well as to maximise shareholders' value.

The capital structure of the Company consists of equity of the Company (i.e. share capital and reserves). Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in the Company's business operations.

29. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES

(a) Prior year adjustments

(i) Use of fair value as deemed cost for previously revalued land and buildings

The Company has applied the transition provision exemption to measure land and buildings carried at revaluation of RM8,000,000 as deemed cost at the date of their last revaluation. The carrying amount of the land and buildings are not restated due to the application of this provision exemption.

(ii) Capitalisation of borrowing costs previously expensed in profit or loss

Borrowing costs pertains to interest on term loans for the purchase of land and buildings amounting to RM1,500,000 which were previously expensed to profit or loss have been recognised as part of the property, plant and equipment. The adjustment was effected retrospectively.

(iii) Deferred tax liabilities

Adjustments to correct the erroneous computation of deferred tax in prior year on the revalued land and building and on other temporary difference.

(b) Reclassifications

Certain comparative figures have been reclassified to conform to current year's presentation.

The impact of the prior year adjustments and reclassifications on the financial statements are as follows:

At 1 December 2015	As previously stated RM	Prior year adjustments RM	Reclassifications RM	As restated RM
Statement of Financial Position				
Non-current assets				
Property, plant and equipment	83,214,183	935,336	-	84,149,519
Current assets				
Trade receivables	12,858,490	-	(10,955,828)	1,902,662
Amounts owing by subsidiary	-	-	10,955,828	10,955,828
Non-current liabilities				
Deferred tax liabilities	(1,702,753)	(1,327,478)	-	(3,030,231)
Equity				
Revaluation reserve	(8,000,000)	1,496,680	-	(6,503,320)
Retained earnings	(19,412,472)	(1,104,538)	-	(20,517,010)

Company No.: 464664 - M

At 30 November 2016	As previously stated RM	Prior year adjustments RM	Reclassifications RM	As restated RM
<u>Statement of Financial Position</u>				
Non-current assets				
Property, plant and equipment	83,948,069	1,422,506	-	85,370,575
Current assets				
Trade receivables	19,818,512	-	212,539	20,031,051
Non-current liabilities				
Deferred tax liabilities	(2,233,657)	(506,820)	-	(2,740,477)
Current liabilities				
Trade payables	(14,248,325)	-	6,306,542	(7,941,783)
Other payables, deposits and accruals	(10,009,175)	-	2,878,184	(7,130,991)
Amounts owing to a subsidiary	-	-	(9,397,265)	(9,397,265)
Equity				
Revaluation reserve	(7,075,000)	627,920	-	(6,447,080)
Retained earnings	(22,862,438)	(1,543,606)	-	(24,406,044)

At 30 November 2016	As previously stated RM	Prior year adjustments RM	Reclassifications RM	As restated RM
<u>Statement of Comprehensive Income</u>				
Other income	1,556,918	-	1,581,291	3,138,209
Administrative and general expenses	(4,736,047)	(30,831)	(758,755)	(5,525,633)
Finance cost	(1,692,772)	-	(822,536)	(2,515,308)
Taxation	(1,889,400)	25,159	-	(1,864,241)
Profit before tax	7,727,866	(30,831)	-	7,697,035
Profit after tax	5,838,466	(5,672)	-	5,832,794
<u>Statement of Cash Flows</u>				
Cash flows from operating activities				
Depreciation of property, plant and equipment	3,399,974	30,831	-	3,430,805
Property, plant and equipment written off	181,595	-	(181,595)	-
Changes in receivables	(9,072,266)		181,595	(8,890,671)
Changes in payables	10,950,102	-	(3,090,723)	7,859,379
Interest paid	(2,515,308)	-	2,515,308	-
Interest received	48,327	-	(14,131)	34,196
Cash flows from investing activities				
Interest income	-	-	14,131	14,131
Cash flows from financing activities				
Advances from a subsidiary	-	-	3,090,723	3,090,723
Interest paid	-	-	(2,515,308)	(2,515,308)

30. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 30 April 2018 by the board of directors.