

# Annual Report & CG Report

## TASCO BERHAD

**Annual Report for Financial Year Ended** 31 Mar 2019

**Subject** Annual Report & CG Report - 2019

Please refer attachment below.

### Attachments

TASCO- AR2019_Part 1.pdf 2.0 MB	TASCO- AR2019_Part 2.pdf 1.3 MB
TASCO-CG Report 2019.pdf 671.9 kB	TASCO-Constitution 2019.pdf 300.2 kB

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### Announcement Info

<b>Company Name</b>	TASCO BERHAD
<b>Stock Name</b>	TASCO
<b>Date Announced</b>	24 Jul 2019
<b>Category</b>	Document Submission
<b>Reference Number</b>	DCS-19072019-00024



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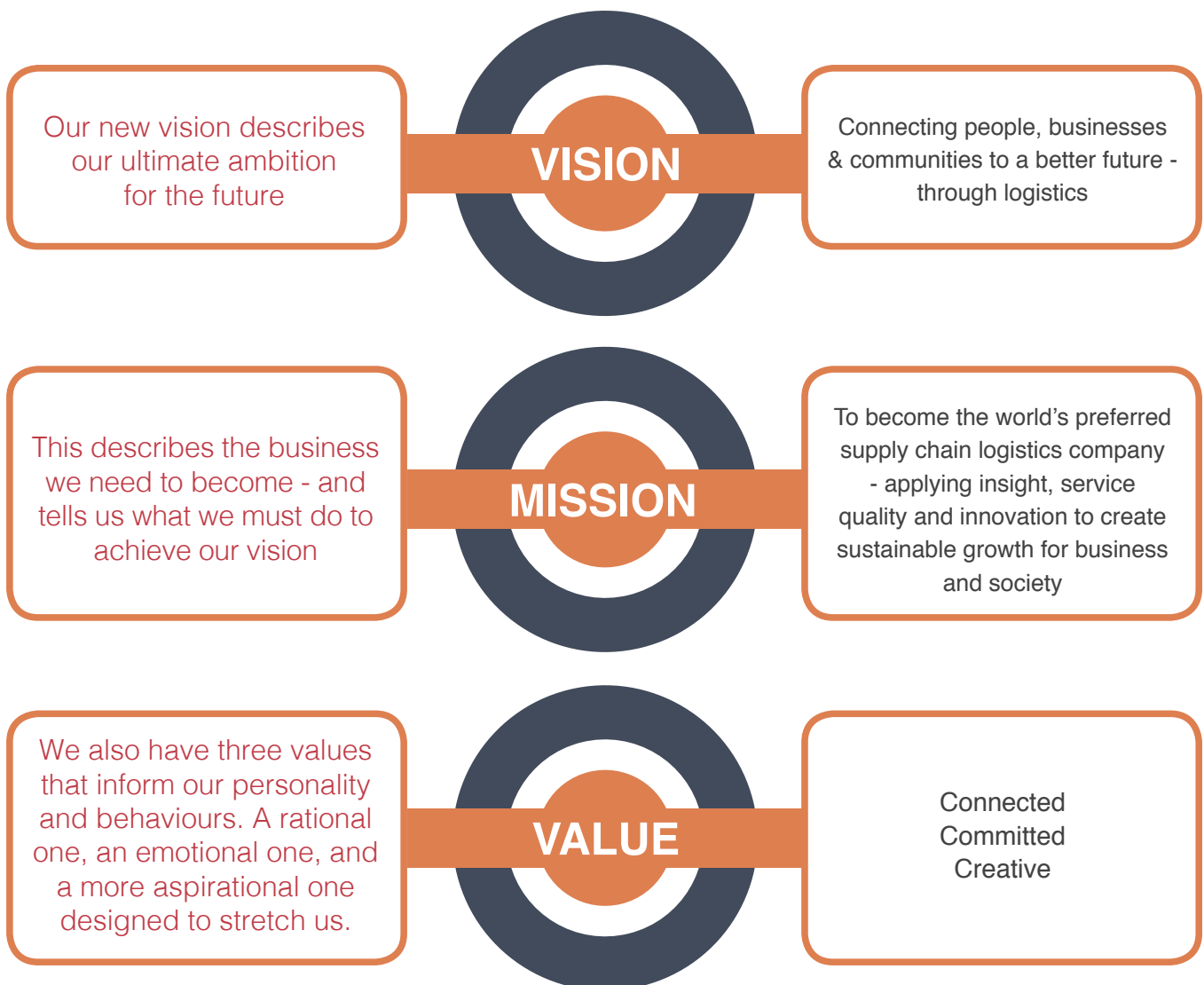
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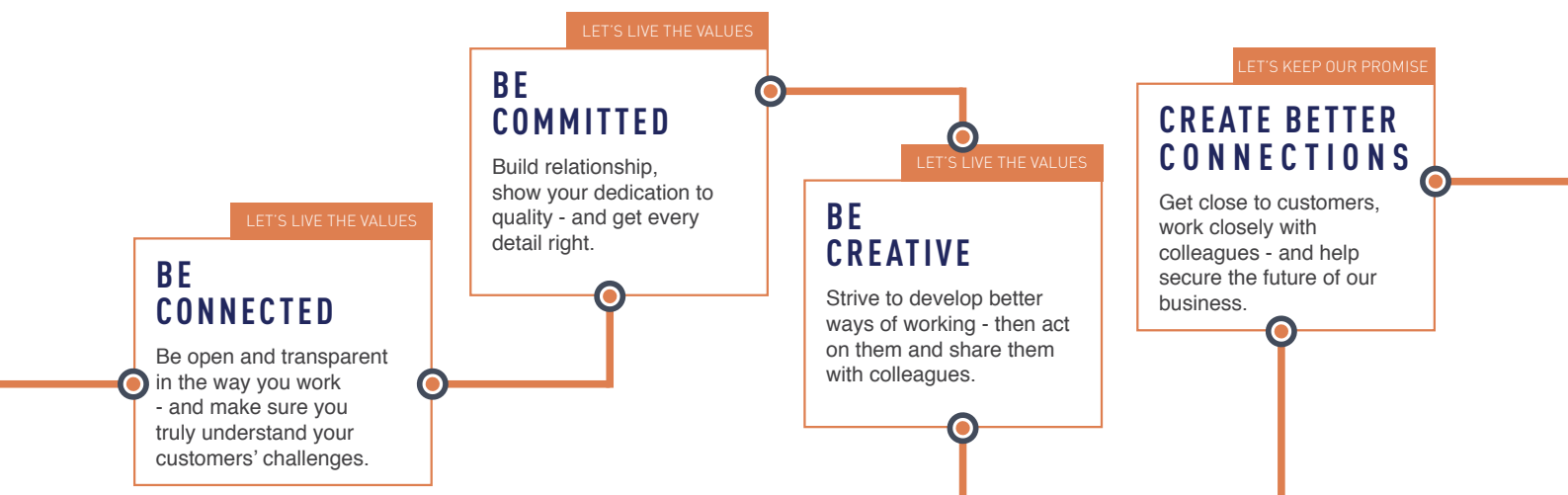
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## Cautionary Statement With Regard To Forward - Looking Statements

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

**OUR VISION, MISSION AND VALUES****BRAND PROMISE**

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



## ABOUT TASCO BERHAD (“TASCO”)

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

TASCO has 26 logistics centres and 2,500 employees in Malaysia. It is a part of the global network of Yusen Logistics Co. Ltd having 578 locations and 24,457 employees worldwide as at 31 March 2019.

TASCO offers logistics solutions covering air, sea and land transportation. It serves as a one stop logistics centre to handle domestic and international shipments for the customers.

TASCO has categorised its services into International Logistics Solutions and Domestic Logistics Solutions.



# TASCO

### CONTRACT LOGISTIC DIVISION

Customs Clearance  
Haulage Transportation  
Warehousing Services  
Warehouse In-plant Services



### COLD SUPPLY CHAIN DIVISION

Cold Supply Chain  
Convenience Retail



## HARIMAU EXPRESS

### TRUCKING DIVISION

Domestic Trucking  
Cross Border Trucking

## **ABOUT Nippon Kabushiki Kaisha ("NYK")**

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

NYK has 62,277 employees globally; and

NYK's major businesses consist of global logistics based on international marine transportation business, cruises, terminal and harbour transport, shipping-related services and real estate.

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

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

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

YLK has 578 locations and 24,457 employees worldwide as at 31 March 2019;

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

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



### **AIR FREIGHT FORWARDING DIVISION**

Air Freight Services

### **OCEAN FREIGHT FORWARDING DIVISION**

Sea Freight Services  
Buyer Consolidation Services





**CORPORATE HEAD OFFICE**

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

Tel: 603-5101 8888

Fax: 603-5548 8288

[www.tasco.com.my](http://www.tasco.com.my)



## LOGISTICS CENTRES

**PENINSULAR MALAYSIA****NORTHERN REGION**

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

**CENTRAL REGION**

- 04. Shah Alam Logistics Centre
- 05. Berjaya Industrial Logistics Centre
- 06. KLIA Air Logistics Centre

- 07. KLIA Distribution Centre

- 08. Ipoh Logistics Centre
- 09. Melaka Logistics Centre

**PORT KLANG REGION**

- 10. Port Klang Logistics Centre I
- 11. Port Klang Logistics Centre III
- 12. North Port Logistics Centre I
- 13. North Port Logistics Centre II

- 14. Port Klang Container Depot

- 15. West Port Logistics Centre
- 16. Bukit Raja Logistics Centre

**BANGI REGION**

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

**“26 LOGISTICS CENTRES  
& 2,500 EMPLOYEES  
in MALAYSIA”**



## **EAST MALAYSIA**

### **SOUTHERN REGION**

- 21. Pasir Gudang Logistics Centre
- 22. Tanjung Pelepas Logistics Centre
- 23. Senai Seelong Logistics Centre

### **EAST COAST REGION**

- 24. Kuantan Port Logistics Centre

- 25. Kuching Logistics Centre
- 26. Kota Kinabalu Logistics Centre





**AMERICAS**

58 Locations

0.33 mil. m<sup>2</sup>

# YUSEN LOGISTICS GROUP

AS AT 31 MARCH 2019

Employees

**24,457**

Locations

**578**

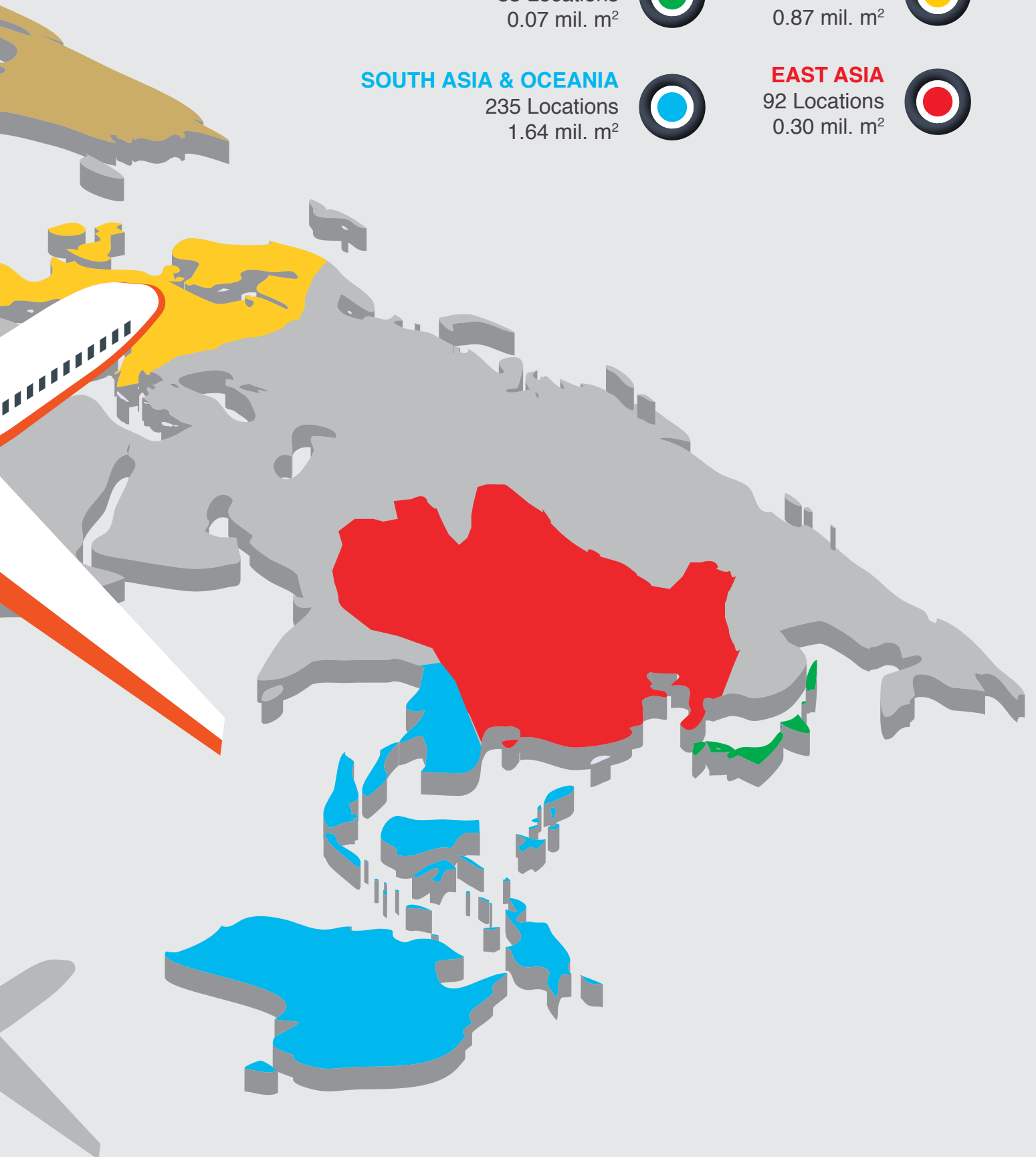
Warehouse space

**3.21**  
million m<sup>2</sup>



**YUSEN LOGISTICS GROUP**

AS AT 31 MARCH 2019

**JAPAN**83 Locations  
0.07 mil. m<sup>2</sup>**EUROPE**110 Locations  
0.87 mil. m<sup>2</sup>**SOUTH ASIA & OCEANIA**235 Locations  
1.64 mil. m<sup>2</sup>**EAST ASIA**92 Locations  
0.30 mil. m<sup>2</sup>

# CONSOLIDATED FINANCIAL HIGHLIGHTS

**Year/Period Ended**                      **31 Mar '19**                      **31 Mar '18**                      **31 Mar '17**                      **31 Mar '16**

## Results of operation (RM'000)

Revenue	736,801	710,209	584,402	515,666
PBTAMI	18,342	41,744	43,342	43,979
PATAMI	13,063	29,399	30,669	30,606
Capital expenditures	143,301	24,137	14,024	8,393

## Financial position at year/period end (RM'000)

Share capital (ordinary shares)	100,801	100,801	100,000	100,000
Total assets	859,206	748,396	514,191	450,435
Cash and cash equivalents	77,179	78,415	81,700	92,586
Total liabilities	486,312	384,687	172,466	129,679
Total borrowings	371,115	275,947	48,407	46,027
Shareholder equity	371,257	362,391	340,665	319,884

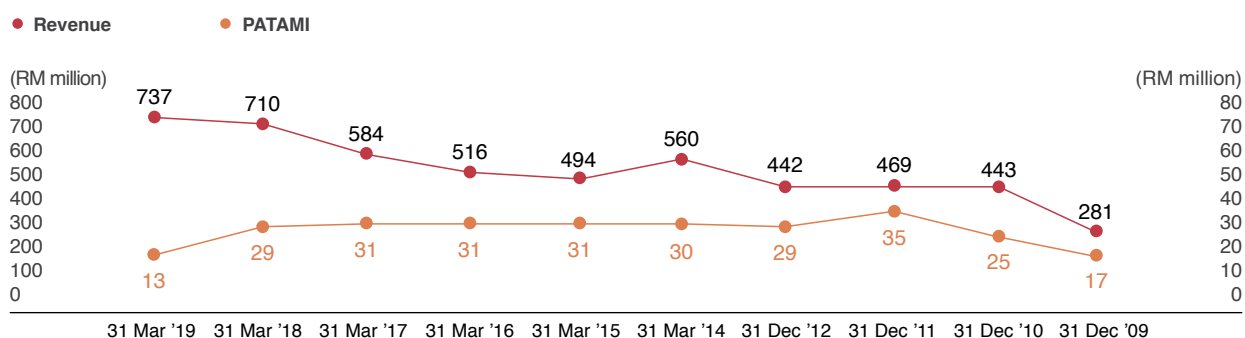
## Amount per share (sen)

Earnings per share	6.53	14.70	15.33	15.30
Dividend per share (Annual)	2.50	4.50	4.50	4.50

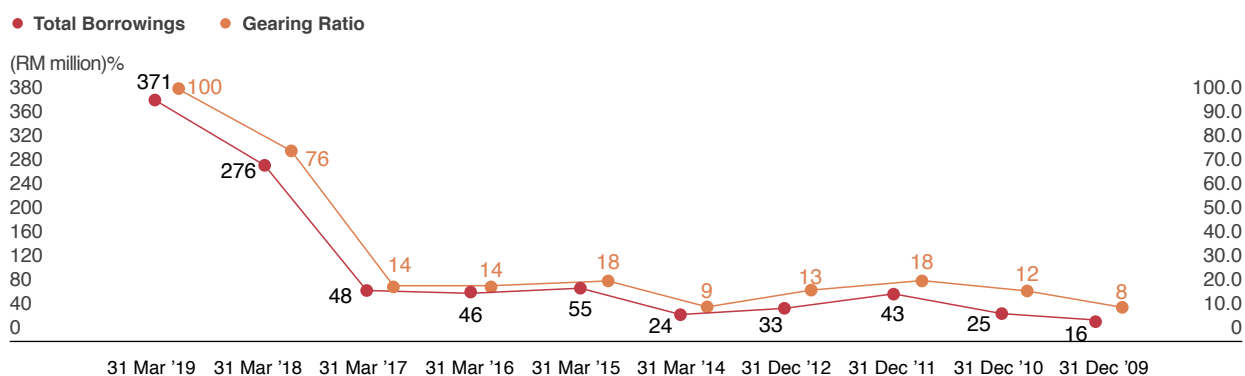
## Ratios (%)

Shareholder equity ratio	43.2	48.4	66.3	71.0
Return on equity	3.5	8.1	9.0	9.6
Return on assets	1.5	3.9	6.0	6.8
Current ratio	143.2	174.5	212.2	227.0
Gearing ratio	100.0	76.1	14.2	14.4
Dividend payout ratio	38.3	30.6	29.3	29.4

## REVENUE AND PATAMI



## TOTAL BORROWINGS AND GEARING RATIO



**CONSOLIDATED FINANCIAL HIGHLIGHTS**

**31 Mar '15      31 Mar '14      31 Dec '12      31 Dec '11      31 Dec '10      31 Dec '09**

494,305	559,613	442,448	469,211	443,362	280,630
41,336	41,958	35,228	37,278	32,724	14,160
30,681	30,409	28,889	34,590	24,776	16,560
64,205	31,801	18,056	49,399	27,834	53,579

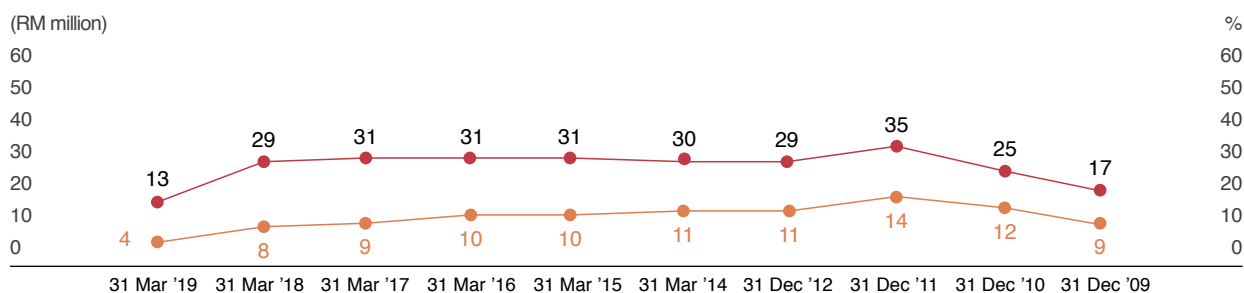
100,000	100,000	100,000	100,000	100,000	100,000
431,700	375,847	344,402	347,262	295,897	263,371
57,081	52,461	52,699	49,280	46,927	35,041
131,834	98,062	88,368	106,085	81,757	70,724
54,795	24,179	32,853	42,923	25,133	16,056
299,097	277,133	255,485	240,714	213,763	192,323

15.34	15.21	14.44	17.30	12.39	8.28
4.50	5.17	6.00	6.45	4.57	3.50

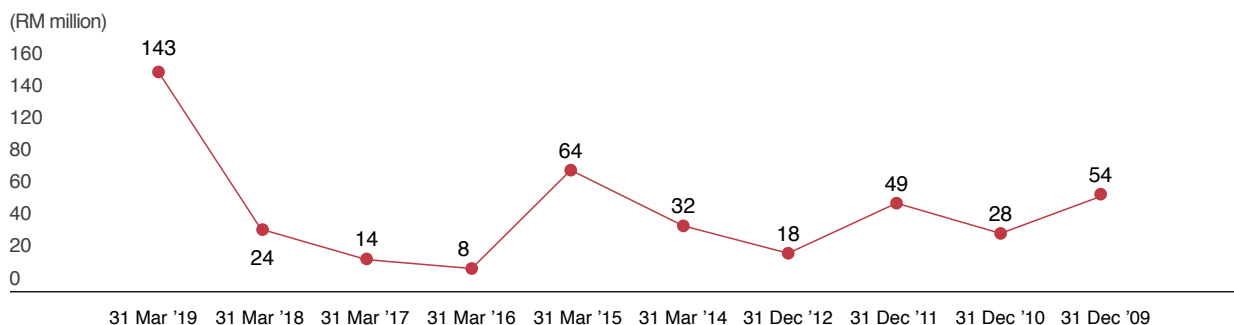
69.3	73.7	74.2	69.3	72.2	73.0
10.3	11.0	11.3	14.4	11.6	8.6
7.1	8.1	8.4	10.0	8.4	6.3
200.4	212.9	237.6	233.0	231.6	208.4
18.3	8.7	12.9	17.8	11.8	8.3
29.3	34.0	41.6	37.3	36.9	42.3

**REVENUE AND PATAMI**

● PATAMI      ● Return on equity

**CAPITAL EXPENDITURES**

● Capital Expenditure





TASCO's strategic ventures into new areas of opportunity are beginning to pay off and are helping laying down strong foundations for the Group's long-term sustainable growth.

**DEAR VALUED STAKEHOLDERS,**

On behalf of the Board of Directors, it is my pleasure and privilege to present to you the Annual Report and Audited Financial Statements of TASCO Berhad ("TASCO" or "the Group") for the financial year ended ("FYE") 31 March 2019.

**CHAIRMAN'S STATEMENT**

Financial year 2019 saw TASCO maintaining a steadfast focus to deliver 3.7 per cent revenue growth amidst flagging global economic conditions. However, the Group's profit after tax declined dramatically by 54.9 per cent due to a significant drop in the profits of our Ocean Freight Forwarding Division and Contract Logistics Division. The year's profitability was also impacted by financing costs and high operating expenses incurred in supporting newly-secured convenience retail opportunities.

While the year in review was undoubtedly a challenging one, it was also an encouraging one in that we began to reap the fruit of our efforts in several areas. The year's highlights included the robust performance of the Cold Supply Chain Division as well as the good progress made by our trading and convenience retail logistics joint venture which secured several new contracts from diverse customers. On top of this, our tie-up with one of Japan's leading strategic investment funds and the acquisition of a strategically-located landbank are set to reinforce the Group's position of strength and take us up to the next level of performance. While the cost of entry into the new areas of opportunity and the related learning curves have had an impact on our short-term bottom line, these new ventures bode well for the Group's overall performance going forward. I am pleased to say that even as several strategic building blocks have been implemented, TASCO is on its way to entering a new era of sustainable long-term growth.

### **WEAKENING ECONOMIC CONDITIONS**

The start of 2018 brought with it expectations of stronger global economic growth with the International Monetary Fund ("IMF") projecting global growth of 3.9 per cent. However, as the year progressed, the global economy was confronted by multiple headwinds that included the escalation of trade conflicts, renewed volatility in commodity prices, as well as tightening financial conditions as financial markets experienced bouts of volatility brought on by monetary policy adjustments in the advanced economies. Aside from the US, economic growth for most major advanced and emerging economies increased at a slower pace. As a result, the global economy only registered 3.6 per cent growth in 2018.

Following Malaysia's robust economic growth of 5.9 per cent in 2017, growth was expected to normalise in 2018. However, the domestic economy encountered several external and internal challenges during the year. These included several major policies and political shifts partly caused by global trade tensions as well as the unprecedented change of government in Malaysia. Moreover, unforeseen supply disruptions in the commodity sectors negatively affected the nation's performance. In the face of these multiple headwinds and climate of uncertainty, the Malaysian economy expanded at a more moderate pace of 4.7 per cent in 2018. Domestic demand continued to anchor growth, supported mainly by private sector expenditure. Public sector spending toned-down following the expenditure rationalisation undertaken by the new Government and lower spending by public corporations.

On the external front, exports continued to provide an additional lift to growth, although to a lesser extent in comparison to 2017's exceptional performance. Despite the normalisation from the 2017 global technology upcycle, manufactured exports were supported by the underlying demand for semiconductors. The operationalisation of new export-oriented manufacturing plants and the establishment of a global electronic and electrical ("E&E") distribution hub in Malaysia provided further impetus to manufactured exports. This, in turn, partially offset the weakness in commodity exports affected by supply disruptions. Import growth also weakened, particularly weighed down by lower capital and intermediate imports that came on the back of the more moderate expansion in overall exports and investment. As a result, Malaysia's overall trade surplus widened during 2018. The sum of these developments, among other things, all had a negative impact on demand for TASCO's services over the course of the financial year.

### **STEADFAST FINANCIAL PERFORMANCE**

Against this economic backdrop, the Group garnered revenue of RM736.8 million for FYE 31 March 2019 in comparison RM710.2 million in the preceding year, reflecting a RM26.6 million (3.7 per cent) year-on-year ("y-o-y") increase in revenue. However, the Group's profit before taxation ("PBT") declined by RM23.3 million (55.6 per cent) to RM18.7 million from RM42.0 million y-o-y, while its profit after tax ("PAT") for the financial year declined by RM16.3 million (54.9 per cent) y-o-y to RM13.4 million from RM29.7 million previously. The finer details of the Group's segmental performance can be found in the Management Discussion and Analysis section of this Annual Report.



## GOOD SHAREHOLDER VALUE CREATION

The Group continues to reward its shareholders for their continued confidence in us. In respect of FYE 31 March 2018, we paid shareholders a single-tier dividend of 2.0 sen per ordinary share amounting to RM4.0 million on 26 March 2018 and 2.50 sen per ordinary share amounting to RM5.0 million on 13 July 2018. Subsequently, your Board of Directors declared a single-tier dividend of 2.50 sen per ordinary share amounting to RM5.0 million in respect of FYE 31 March 2019 on 30 April 2019 which was paid out on 30 May 2019.

## KEY STRATEGIC DEVELOPMENTS

As part of our sustainable growth strategy, we continue to undertake activities focused on strengthening our cold supply chain logistics and retail convenience logistics businesses. Our investments in these businesses have already begun providing solid returns to the Group as well as enabled us to diversify our business and widen our platform into other vertical areas.

Our efforts were strengthened when Japan Infrastructure Investment Corporation for Transport & Urban Development ("JOIN"), a government-private sector sponsored fund in Japan that specialises in overseas infrastructure investment, took up a strategic stake in our wholly owned subsidiary, TASCO Yusen Gold Cold Sdn Bhd ("TYGC"), which provides cold chain and convenience retail logistics services. Late March 2019, saw us announcing the proposed issuance and allotment of 58,878,000 new ordinary shares (representing 30 per cent of the enlarged equity interest in TYGC) to JOIN for a cash subscription price of RM125.0 million.

This transaction implicitly valued TYGC at some RM416.67 million which was higher than TASCO's own market capitalisation of approximately RM308.0 million based on our RM1.50 closing price then. In effect, we divested the 30 per cent equity in TYGC at a premium of 45.3 per cent compared to the costs incurred to acquire and run the company over a two-year period. This investment exercise was approved by shareholders at an Extraordinary General Meeting on 10 May 2019 and brought to completion on 11 June 2019.

Through this strategic investment, TASCO now has a partnership with the Japanese Government in the cold chain and convenience retail logistics segment. This could potentially provide us with greater access to other markets in which JOIN has a presence as well as enable the transfer of knowledge and expertise which will enable TYGC to grow its cold chain business and strengthen its market position.

As for TASCO, we will utilise some RM97.0 million or 77.6 per cent of the RM125.0 million to repay our bank borrowings. This will effectively reduce our gearing to some 0.73<sup>1</sup> times from 1.0 times and accord us interest cost savings amounting to approximately RM4.56 million per annum. We certainly welcome JOIN's participation as our strategic partner and look forward to learning from the Japanese who are renowned for upholding the highest quality benchmarks. Their participation will go a long way in helping us elevate our own standards as well as set new benchmarks in the domestic cold chain logistics segment.

On 10 May 2019, we announced that Group subsidiaries, Gold Cold Solutions Sdn Bhd and Titian Pelangi Sdn Bhd, had entered into a sale and purchase agreement with Hai San Holdings Sdn Bhd (in liquidation) and Hai San & Sons Sdn Bhd (in liquidation) for the proposed acquisition of seven parcels of leasehold industrial land and buildings located at Port Klang (Malaysia's busiest container port) for a total cash consideration of RM25.8 million. The proposed acquisition, which provides TASCO the opportunity to acquire a sizeable landbank totalling 16.3 acres with existing cold and ambient warehousing facilities, will increase TASCO's landbank in Port Klang from 39 acres to 55 acres.

Strategically located within the established industrial neighbourhoods of Northport, Kawasan Perusahaan Selat Klang Utara and the Perdana Industrial Park, the assets are also in close proximity to TASCO's existing Port Klang Logistics Centre, thereby enabling our Management the convenience of easily managing the warehousing operations at all these locations. With the addition of new temperature-controlled warehouses to our stable of warehouses, we now have the opportunity to scale up our cold chain warehousing operations which are currently operating at full capacity.

Barring any unforeseen circumstances and subject to the fulfilment of the conditions precedent, the proposed acquisition is expected to be completed in the second half of calendar year 2019.



**REWARDED FOR EXCELLENCE**

As the Group and its subsidiaries uphold excellence in all that we do, we continue to gain recognition on several fronts, particularly from our customers. It gives me great pleasure to announce that TASCO Yusen Gold Cold Sdn Bhd was awarded the title "Malaysia Cold Chain Logistics Service Provider of the Year" by Frost & Sullivan for both 2018 and 2019. Singapore Airlines Cargo too recognised us for our contributions via their "Top Agency Sales Award FY2018/2019", while Thai Airways applauded TASCO for being the "Top Cargo Sales Agent 2017/2018". On top of this, TASCO received similar awards from Eva Air and Korean Air Cargo as well as a certificate of appreciation from MASKargo for our invaluable contributions to their growth through outstanding sales achievement over 2018.

Recognition also came from of Huawei and Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd who acknowledged our partnerships with them. All these awards and accolades reflect the Group's commitment to setting high standards, to being a prime mover in the logistics industry, and to building enduring relationships. As we stride forward, we will continue to aim high and accord our clientele innovative solutions.

**RESPONSIBLE CORPORATE PRACTICES**

Recognising that good governance translates into good business, your Board remains committed to upholding and implementing high standards of corporate governance as well as robust risk management and internal control measures across the Group. These fundamental components of our business are bolstering investor confidence, protecting our corporate reputation and ensuring continued shareholder value creation.

Your Board also acknowledges that we have a responsibility to safeguard TASCO's future and to ensure sustainable value creation for our shareholders. In line with this, we continue to prioritise responsible management and sustainable development across the Group. By ensuring the Group's sustainable progress, we are providing the momentum for our businesses to strengthen their operational efficiencies and deliver long-term growth. Our second Sustainability Statement on pages 23 to 32 of this Annual Report underlines our commitment to upholding these key areas.

In line with our commitment to upholding gender diversity, the Group is committed to working towards to complying with the requirement of the Malaysian Code on Corporate Governance ("MCCG") to have at least 30 per cent female representation on the Board. In line with this, I am delighted to announce the appointment of our first woman director, Datuk Dr. Wong Lai Sum, who brings on board TASCO a wealth of experience and expertise.

**MOVING FORWARD INTO FY2020**

As TASCO ventures forth into a new financial year, your Board is quietly confident that we will continue to strengthen our growth momentum in financial year 2020, both in terms of organic growth as well as in relation to our new businesses. As we stride forward, we anticipate continued downside risks such as rising operational costs, ongoing interest costs and keen competition for cargo in our traditional core businesses.

Nonetheless, we remain committed to maintaining a firm focus on our strategies and to delivering high levels of customer service and innovative logistics solutions. We will continue to explore opportunities to expand our logistics capacity where it makes sense to do so and where it will enhance shareholder value. We will also tap the expertise within the Group's wider network and our strategic partnerships to explore new areas of opportunity, while cementing our current position as one of the leading logistics companies in Malaysia.

**IN APPRECIATION**

We at TASCO owe a debt of gratitude to the many parties who continue to lend us their worthy support. On behalf of the Board of Directors, I would like to express my heartfelt gratitude towards the loyal management and staff of TASCO Berhad for their continuous hard work and commitment to excellence. I also wish to convey my sincere appreciation to my colleagues on the Board for their astute insights and advice which are helping us forge a clear pathway forward amidst the challenges of our marketplace.

Please join me in bidding farewell to Mr. Yasushi Ooka, our Non-Independent Non-Executive Director and Mr. Masaki Ogane, our Non-Independent Executive Director, who resigned from the Board on 1 March 2019 and 1 April 2019 respectively due to Mr. Ooka being posted back to his home country, while Mr. Ogane was seconded to another position. We thank them for their contributions to TASCO and wish them every success in their future endeavours.

We also welcome on board Datuk Dr. Wong Lai Sum who joined us as an Independent Non-Executive Director on 1 March 2019, and Mr. Norihiko Yamada who joined us as a Non-Independent Executive Director on 1 April 2019. We certainly look forward to their contributions and the perspectives they will bring to the table.

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

As TASCO moves forward on its journey to attain sustainable long-term growth, we are determined to overcome all challenges and make the most of new opportunities. As we do so, I call upon all our stakeholders to continue lending TASCO their firm support. Thank you.



**Lee Check Poh**  
Executive Chairman  
16 July 2019

**Note:**

1. Effects from the reduction of RM 97.0 million loan repayment and interest cost saving of RM 4.56 million from the total borrowings as at 31 March 2019.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The TASCO Group continues to engage in strategic moves aimed at elevating our performance for the long-term. These initiatives include making further inroads into our maiden trading and convenience retail logistics business, as well as bolstering our position in the cold chain logistics segment through our strategic tie-up with Japan Infrastructure Investment Corporation for Transport & Urban Development (“JOIN”), one of Japan’s leading strategic investment funds, and the purchase of a strategically-located landbank at Port Klang, Malaysia’s busiest container port.

**Dear Valued Stakeholders,**

For the financial year ended (“FYE”) 31 March 2019, TASC0 Berhad (“TASC0” or “the Group”) continued to engage in strategic moves aimed at elevating our performance for the long-term. These moves included making further inroads into our maiden trading and convenience retail logistics business by cementing our role as the preferred logistics provider to a host of petrol kiosk, convenience store and F&B operators, among other businesses. We also went on to bolster our position in the cold chain segment through our strategic tie-up with JOIN, one of Japan’s leading strategic investment funds, as well as via the proposed purchase of a strategically-located landbank at Port Klang, the nation’s busiest container port. While our investments into some of these new areas of opportunity had an impact on the financial year’s bottom line, we are expecting things to turn around in due course and to realise good returns from our efforts. As we build upon the good momentum gained in these segments, TASC0 is moving steadily closer towards realising its goal of sustainable long-term growth. It is my privilege to present the finer details of the financial and operational performance of TASC0 for FYE 31 March 2019.

**OUR BUSINESS**

The TASC0 Group is a subsidiary of Yusen Logistics Co. Ltd. (“YLK” or “Yusen”), one of the largest logistics companies in Japan and a subsidiary of Nippon Yusen Kabushiki Kaisha. Today, TASC0 has under its wings 26 logistics centres and approximately 2,500 employees in Malaysia. Through our links with Yusen’s global logistics network, we also have access to its more than 62,000 employees in 578 locations worldwide. We offer integrated logistics solutions covering warehouses as well as air, sea and land transportation, plus serve as a one-stop logistics hub catering to customers’ domestic and international shipment needs. The addition of cold chain as well as trading and convenience retail logistics capabilities to our offerings, have given us a competitive edge over other logistics players and helped cement our position of strength in the marketplace.

Today, the TASC0 Group’s business segments are divided into the International Business Solutions (“IBS”) and Domestic Business Solutions (“DBS”) categories. Our IBS segment includes the Air Freight Forwarding division (offering air freight services), and the Ocean Freight Forwarding division (covering sea freight and buyer consolidation services). Meanwhile, our DBS segment covers the Contract Logistics division (covering customs clearance, haulage transportation, warehousing and warehouse in-plant services) and the Trucking division (offering domestic trucking and cross border trucking services). FYE 31 March 2019 saw us adding the Cold Supply Chain Logistics or CSC business to our DBS portfolio.

**OUR STRATEGIES FOR GROWTH**

We continue to make good headway as we move beyond our traditional core business of factory logistics and Japanese-based customers to establish new businesses aimed at elevating the Group’s long-term performance.

**Capitalising on Increasing Demand for Retail Logistics Services**

In line with our ongoing diversification strategy, FYE 31 March 2018 saw us entering the trading and convenience retail logistics businesses through our joint venture with Yee Lee Trading Co. Sdn Bhd, a wholly-owned subsidiary of Yee Lee Corporation Berhad, a company which owns extensive trading businesses in Malaysia. Since then, the joint venture company, YLTC Sdn Bhd (“YLTC”), has successfully penetrated the convenience retail market.

Where before the dealers or owners of such outlets who wanted to procure merchandise had to deal with multiple manufacturers or wholesalers (thereby increasing the cost of non-core business activities), today, YLTC’s novel approach is enabling them to deal with just one point of contact when it comes to ordering, replenishing, delivering and storing stock at their outlets. Representing these buyers, YLTC will negotiate with suppliers of different goods to supply in-shop items while simultaneously providing inventory management, warehousing and logistics services.

TASC0 in turn is benefitting from the provision of contract logistics services (both dry and cold chain warehouse spaces as well as trucking) to YLTC on an arm’s length basis. We are also able to offer our customers regional coverage given our full range of end-to-end solutions and our international network. This venture differentiates TASC0 from other logistics companies and continues to give us an edge over our competitors.



**MANAGEMENT DISCUSSION AND ANALYSIS**

The demand for our retail logistics services is being fuelled by the fact that Malaysia is steadily following the path of developed countries that have gone up the value chain on the back of increasing urbanisation and greater wealth. With more people having greater spending power and living longer, their lifestyle needs are changing for the better and they are demanding quality goods and services as well as a more conducive and accessible retail environment. This in turn is heralding in more efficient and modern convenience retail store networks that understand consumers' need for quick, one-stop shopping in a convenient location with extended operating hours and with a variety of products to choose from.

Recognising the huge potential of this fast-growing trend, neighbourhood convenience retail stores, petrol kiosks and F&B outlets, among a host of other businesses, are all capitalising on it. Taking our cue from this phenomenon, we too are making the most of this opportunity. While our teams have had a steep initial learning curve over the last one year or so, and the start-up and training costs have been quite substantial, we are more well-versed in this business today. As more retail players join the bandwagon and see the merits of tapping into our unique offering, volume is bound to grow. In tandem with this, we anticipate that our profits will rise as well.

### **Bolstering Our Cold Chain Logistics Capability**

The last two years saw TASCO entering the cold chain logistics business via our acquisitions of Gold Cold Transport Sdn Bhd ("GCT") and Gold Cold Integrated Logistics ("GCIL") (formerly known as MILS Cold Chain Logistics Sdn Bhd). By integrating GCT and GCIL, two proven domestic cold chain players into our existing logistics businesses, we are today able to offer customers an all-inclusive, one-stop solution to meet their end-to-end cold chain logistics supply requirements.

Via the existing combined capacity of the GCT and GCIL facilities, we currently have a total cold room storage capacity of 37,000 pallets, plus over 190 refrigerator trucks. We estimate that the entire third-party logistics cold chain sector currently comprises about 120,000 pallet positions nationwide which translates into an approximate market share of 31% by storage capacity for TASCO. This firmly entrenches TASCO as one of the biggest cold chain players around. These elements, together with the fact that the margins in the cold chain logistics business are higher than typical margins in the general logistics business, all bode well for the Group's long-term prospects.

Over the course of the financial year, we went on to establish TASCO Yusen Gold Cold Sdn Bhd ("TYGC"), which today serves as the holding company for the cold chain logistics operations of GCT and GCIL. We are pleased with our progress to date on the cold chain business front and this business is contributing some 15% to our revenue. More recently, we undertook two key initiatives to bolster the capability of our cold chain logistics operations, namely our strategic tie-up with JOIN and the proposed acquisition of several parcels of strategically-located land in Port Klang.

JOIN's acquisition of a 30 per cent equity stake in TYGC for RM125.0 million marks the fund's maiden investment in Malaysia. This transaction implicitly valued TYGC at RM416.67 million at that point in time or at a premium of 45.3 per cent compared to the costs incurred to acquire and run the company over a two-year period. Part of the proceeds will go towards repaying loans to reduce TASCO's gearing while the rest will be used to facilitate our operations and expansion plans. Our tie-up with JOIN opens up new areas of opportunity for us not only domestically but on a regional level.

JOIN is a government-private sector sponsored fund in Japan that specialises in overseas infrastructure investment. The Minister of Finance, Japan owns 87.19 per cent in JOIN, while its other shareholders comprise various Japanese corporations. Tasked with supporting and facilitating participation by Japanese corporations in the global infrastructure market, JOIN not only acts as a financial partner, but also serves as an active partner in its investments. JOIN's more recent investments in the region include investments into a bulk terminal project in Myanmar, an urban development project in Thailand, and a cold storage warehouse project in Indonesia. JOIN and TASCO intend to pool their resources to advance TYGC's expertise and technical capability in the area of cold chain logistics solutions, supported by JOIN's global network and its links to the Japanese Government. This could potentially provide TYGC access to other markets in which JOIN has a presence.

We certainly welcome JOIN's involvement in our business. They picked TASCO as they see the strategic value in investing in us due to our proven capabilities and track record. By looking to embed Japan's high standards within our business and the domestic logistics industry, we can be certain that our own quality benchmarks and our motto of "Quality First" will be taken to new heights of excellence. This economic partnership between two entities from different countries is also heartening as it comes at a time when trade tensions on the global stage are disrupting the global supply chain. As Malaysia and Japan lead the way, it shows that there is still room for cooperation and mutual benefit between nations.

Another key initiative that we are currently pursuing is the proposed acquisition of a strategic landbank of 16.3 acres of leasehold land (including warehouse facilities comprising both cold and ambient facilities) at Port Klang for RM25.8 million. The acquisition which is expected to be completed in the second half of the year, will see our landbank at Port Klang (Malaysia's busiest container port) increase from 39 acres to 55 acres.

### **Continued Diversification into New Areas of Opportunity**

We remain successful in our efforts to attract large MNCs simply because they have been impressed by TASCO's connection to the very strong Yusen global logistics network and our offer of consistently high standards and quality services. Our MNC customers are also drawn in by the fact that they can readily tap the expertise of any of our network personnel anywhere in the world for advice on end-to-end supply chain solutions.

Our ability to remain nimble and adapt to new market realities continues to hold us in good stead. With the e-commerce segment set to grow exponentially over the next few years, the demand for larger and smarter warehouses as well as logistics centres to fulfil the entire supply chain's requirements is set to take off. Malaysia is playing its part in facilitating the growth of e-commerce growth and cross-border trade via the launch of the Digital Free Trade Zone ("DFTZ"). As e-commerce takes off in a big way, TASCO for one is well positioned to capitalise on the anticipated demand for logistics-related services and facilities. To this end, we have collaborated with a company to launch an e-commerce platform that will help both our customers and the Group push its products to market. Things are moving along well and we have had encouraging response from customers in regard to this initiative.

Aside from the large accounts within our DBS and IBS segments, we are currently focusing our efforts on catering to a third segment within our portfolio, namely the small and medium enterprises ("SMEs") segment. A new sales group is being organised to focus on SMEs which currently comprise 98.5% of the total business community in Malaysia. Contributing more than one-third of Malaysia's economic growth, the SME segment is definitely an important growth engine for Malaysia. Of our 2,000 active customers, some 10 per cent generate approximately 90 per cent of our sales. We are looking to focus on the remaining 1,900 customers who predominantly comprise SMEs. Currently many of the forwarders that SMEs use are not international-based, so we have a competitive advantage here. We also have stronger negotiating power to help support our SME customers.

### **Continuing to Align with the Yusen Group's Roadmap**

As part of our long-term strategy, TASCO continues to align with "Transform 2025", the Yusen Group's shared vision and strategy for the future, which serves as both a reference point and guide for Yusen's diverse businesses. By setting out the guiding principles for how the businesses within the Yusen Group are to conduct business with one another and with their customers, the 2025 roadmap aims to ensure that Yusen's business strategy is reflected within the priorities of each region, business unit, operating company, office and employee.

## **OUR FINANCIAL PERFORMANCE**

### **Group and Segmental Revenue**

TASCO turned in a resilient performance for FYE 31 March 2019 amidst a challenging operating environment. The Group recorded a RM26.6 million (3.7 per cent) year-on-year ("y-o-y") increase in revenue to RM736.8 million for FYE 31 March 2019 against revenue of RM710.2 million registered in the preceding financial year. Revenue from the Domestic Business Solutions ("DBS") segment remained robust, rising by RM57.3 million (13.3 per cent) y-o-y from RM432.6 million to RM490.0 million, whereas revenue from International Business Solutions ("IBS") declined by RM30.7 million (11.1 per cent) y-o-y from RM277.6 million to RM246.8 million.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Revenue for the DBS segment was mainly attributable to the good performance of the Cold Supply Chain (“CSC”) and Contract Logistics (“CL”) divisions. The CSC division contributed a RM37.6 million (61.2 per cent) y-o-y increase to the DBS segment, its revenue rising from RM61.4 million to RM99.0 million in FYE 31 March 2019. In line with the Group’s financial year ending March, the recently acquired GCIL under the CSC division extended its financial year from end December 2018 to end March 2019. Following the completion of TASCO’s acquisition of GCIL on 1 June 2018, this subsidiary effectively contributed 10 months’ results to the CSC division. Meanwhile, our other acquisition, GCT, reported a full-year’s revenue as compared to 8.5 months revenue reported previously.

The CL division too turned in a strong performance with its revenue rising by RM25.0 million (8.8 per cent) y-o-y, from RM284.7 million to RM309.7 million. Within the CL division, the custom clearance business was the largest revenue contributor, registering an increase in revenue of RM20.1 million (21.5 per cent) y-o-y, from RM93.7 million to RM113.9 million. This increase in revenue came on the back of revenue contributions from a solar panel customer as well as musical instrument customers coupled with contributions from project cargo. Newly-secured convenience retail customers coupled with increased cargo volume from musical instrument customers lifted the revenue of the warehouse business. However, this was offset by the reduction in handling volume of a semiconductor customer and the cessation of the repair parts warehousing business for an E&E customer. This led to a marginal net drop in revenue of RM0.6 million (0.5 per cent) y-o-y, from RM126.7 million to RM126.1 million. Meanwhile, revenue for the in-plant business rose by RM1.9 million (8.6 per cent) y-o-y as a result of increased production volume by an existing E&E customer and a newly-secured polyester film manufacturer in the Northern Region.

The rise in container deliveries especially for E&E and musical instrument customers as well as new customers resulted in the haulage business recording a RM3.5 million (8.3 per cent) increase in revenue y-o-y. As for the Trucking division, the cessation of cross-border delivery activities across the border of Thailand for an E&E customer, coupled with delivery reductions relating to domestic distribution for F&B and automotive customers, saw the division’s revenue dropping by RM5.2 million (6.0 per cent) y-o-y, from RM86.5 million to RM81.3 million.

Within the IBS segment, the Air Freight Forwarding (“AFF”) division posted a marginal rise in revenue of RM2.0 million (1.2 per cent) y-o-y. Despite the increase in volume by aerospace manufacturers and capacitor manufacturing customers which helped lift the AFF division’s revenue, the discontinuation of business activities by a major E&E customer coupled with a reduction in volume by a printed circuit board manufacturing customer resulted in lower revenue for the overall AFF business. The Ocean Freight Forwarding (“OFF”) division registered a dramatic RM32.8 million (30.8 per cent) y-o-y drop in revenue from RM106.6 million to RM73.8 million following the decision by an existing customer to make direct shipment bookings with the shipping lines. Since then, we have managed to slowly but surely gain back some of the volume from the customer’s shipping side as they still require our coordination expertise.

### **Group and Segmental Profits**

The financial year in review saw TASCO’s profit from operations decrease by RM14.8 million (28.3 per cent) y-o-y, from RM52.2 million to RM37.4 million. Consequently, the Group’s profit before taxation (“PBT”) for FYE 31 March 2019 decreased by RM23.3 million (55.6 per cent) y-o-y, from RM42.0 million to RM18.7 million, while profit after tax (“PAT”) for the same period declined by RM16.3 million (54.9 per cent) y-o-y, from RM29.7 million to RM13.4 million. Our bottom line was impacted negatively by high start-up costs due to our entry into new logistics areas during the financial year as well as significant higher interest costs as our cold chain acquisitions were fully financed by bank borrowings. TASCO’s Management is well aware of the key issues affecting our bottom-line performance and has taken measures to address the performance gap.

As for the DBS segment, it posted a decrease in PBT of RM13.6 million (32.6 per cent) y-o-y, from RM41.7 million to RM28.1 million. Within the DBS segment, the CL division posted a RM20.5 million (56.5 per cent) y-o-y decrease in PBT despite higher sales. This was mainly due to a drop in the PBT of the warehouse and in-plant businesses which fell by RM20.6 million (116.6 per cent) and RM2.9 million (49.2 per cent) respectively, mainly as a result of the incurrence of start-up expenses and additional operating costs incurred in catering to a seasonal volume surge for the newly-secured convenience retail logistics business. Elsewhere within the CL division, the custom clearance business reported an increase in PBT of RM3.7 million (65.9 per cent) y-o-y on the back of a revenue surge, whereas the PBT of the haulage business dropped slightly by RM0.08 million (10.9 per cent) y-o-y on the back of high fleet repair and maintenance costs. The decrease in the CL division’s PBT was partly offset by the higher PBT contribution from the CSC division and the lower loss registered by the Trucking division.



The CSC division saw its PBT rise by RM5.7 million (79.0 per cent) y-o-y, from RM7.3 million to RM13.0 million, mainly on the back of the PBT contribution from the recently acquired GCIL and the extension of its financial year due to the financial year-end synchronization exercise. Despite the Trucking division registering lower revenue, continuous cost reduction measures helped it turn in a lower loss of RM0.6 million in comparison to a loss of RM1.8 million previously – an overall improvement of RM1.1 million (64.9 per cent) y-o-y.

As a result of the lower revenue within the IBS segment, the PBT of the IBS segment fell by RM5.6 million (45.7 per cent) y-o-y, from RM12.3 million to RM6.7 million. Within the IBS segment, the PBT of the AFF division rose by RM6.5 million (173.0 per cent) y-o-y, from RM3.7 million to RM10.2 million. However, the higher PBT of the IBS segment was largely offset by a significant drop in the PBT of the OFF division due to the loss of a major customer's business. The OFF division's PBT dropped by RM12.1 million (141.4 per cent) y-o-y, from a profit of RM8.5 million to a loss of RM3.5 million.

The Group's PBT was also adversely affected by additional costs from the support (or non-business) segment. These included an increase in finance costs of RM8.4 million (84.4 per cent) on bank loans to fund the acquisition of the CSC business as well as the Group's West Port Logistics Centre.

### Gearing and Liquidity

Upon completion of our strategic investments in GCIL and the acquisition of six plots of land with warehouses in West Port on 1 June 2018, our gross gearing increased to 1.0 times as at FYE 31 March 2019 (FYE 31 March 2018: 0.76 times). Our financial position, nonetheless, remains secure given our strong balance sheet. As at FYE 31 March 2019, we had in hand cash and cash equivalents amounting to some RM 77.2 million (FYE 31 March 2018: RM 78.4 million).

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

### Future Commitments

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

## BUSINESS RISKS AND MITIGATION MEASURES

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

By way of **Operational Risk**, we continue to put in place the necessary precautions to mitigate the different sorts of hazards that logistics players typically face. As part of efforts to diminish the loss of assets or customer cargo due to fire, we proactively undertake proper fire safety inspections at regular intervals and enforce the 'strictly no smoking rule' at all our warehouses. We also ensure all flammable cargo and materials are placed at designated areas and that fire extinguishers are positioned at the proper designated areas. The Group's warehouse and safety teams have the responsibility for ensuring proper and adequate maintenance of our firefighting systems and equipment, while all our warehouse operators are tasked with undergoing mandatory firefighting training. Aside from these measures, our normal standard trading terms exclude TASCO's liability in the event of any loss or damage to our customers' cargoes due to fire.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

On the **Information/System Risk** front, there is the possibility of the loss of business data from improper data backup management, as well as the possibility that our servers may crash due to viruses or potential cyber-attacks on our IT system. To mitigate any instance of business data loss, we leverage on RAID 5 hard disks and undertake daily backup of our data to tapes which are stored offsite. At the same time, we ensure that our production servers are covered by next business day warranties. To ensure our IT system is safe from viruses or hacker threats, we undertake continuous security assessments and measures that ensure all the operating systems in our network are adequately updated. On top of this, we proactively ensure that up-to-date anti-virus solutions, high grade firewalls and secure network configurations are fully implemented.

## **OUTLOOK AND PROSPECTS**

As TASCO ventures forth into the new financial year, we do so with a cautious optimism given the challenging global and domestic outlooks. Despite showing strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of 2018, underscoring a confluence of factors affecting major economies. Global growth is now predicted to slow from 3.6 per cent in 2018 to 3.3 per cent in 2019, before returning to 3.6 per cent in 2020. A host of factors including ongoing trade tensions between the US and China, worsening financial market sentiment, ongoing volatility in crude oil prices, Brexit woes and uncertainty about China's outlook, are all converging together to undermine global growth.

On the Malaysian front, despite external headwinds, Malaysia's macroeconomic fundamentals remain strong. The World Bank Group predicts that Malaysia will register gross domestic product ("GDP") growth of 4.7 per cent for 2019 – a rate comparable to that of 4.7 per cent in 2018. Private consumption is expected to remain the main driver of growth, although expanding at a more measured pace.

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

The prospects of the Group are closely tied to the performance of the global and domestic economies, as the logistics industry is dependent on economic activity and international trade. The Group's logistics business model is particularly vulnerable to the factors that affect the movements of domestic and international cargo. Going forward, the downside risks for the Group continue to include rising operational costs (i.e. labour costs as well as the Sales and Service Tax), substantial interest costs and keen competition for cargo in our traditional core businesses, as well as the moderating global economy due to the ongoing US-China trade war.

Moving forward, TASCOS's growth prospects lie in our cold chain logistics business where we have a clear competitive advantage over other logistics players who are typically focusing on more traditional logistics operations. We will continue to strengthen our cold chain business by exploring opportunities to expand into new territories such as Sabah in East Malaysia for a start. We also certainly look forward to the areas of mutual cooperation and advantages that will come from our venture with JOIN. We are also hopeful that the proposed acquisition of the strategically-located land in Port Klang will go through seamlessly and look forward to benefits it will bring us. On top of this, TASCOS's appointment as the first direct logistics partner for Red Cargo Logistics' Sdn Bhd, the logistics arm of Air Asia, bodes well for our air freight division. We are set to benefit from leveraging on AirAsia's network which spans over 320 routes across 25 markets throughout Asia.

As we embrace the new year, we anticipate that it will be a year of real consolidation for TASCOS. Having expanded into so many new services these last two years, our focus going forward will be on consolidating our operations to reduce costs, optimise manpower and enhance quality as we do not want to fail our customers. At the same time, as we expand on the business development front by splitting into three main segments, namely the IBS, DBS and SME segments, we are hopeful of securing new opportunities.

Moving forward, we will continue to maintain our strategy of delivering innovative logistics solutions and excellent customer service while prudently expanding our logistics capacity where it will strengthen our long-term business and shareholders' value. We remain committed to doing things better and in a more efficient and cost-effective manner. As per capita income increases and people begin looking to live quality lifestyles, there will be increased demand on the consumer side and we are well placed to cater to this. We expect our margins to be mainly supported by the full contribution of the cold chain logistics and retail logistics businesses as we focus on volume and customer satisfaction.

We are also keen to explore sea, land and air opportunities on the halal cold chain side given our current position as the largest halal warehouse operator and cold-chain logistics player in Malaysia. Today, we have a very strategic location in West Port that can cater to both ambient and cold chain halal activities. We are currently in negotiations with customers to develop additional facilities for them. With preparations for the 2020 Tokyo Olympics underway, there is ample opportunity for both TASCOS and Yusen to provide halal logistics support. We are currently working with governments, ports and other parties to see how best to support local suppliers looking to supply the 2020 games and showcase their halal products to the world while reinforcing Malaysia's reputation as an international halal hub.

Where all these years we have been focusing on our domestic business, we are now ready to fully leverage on the Yusen Group's group network to help sell Malaysian companies abroad. Where local companies want to source contacts and send their products overseas, we are in a strong position to tap Yusen's network to help these companies.

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

As TASCOS strides forward amidst a highly competitive playing field to make the most of existing business and new opportunities, we will continue to up our game so that we to remain relevant to the market and are able to strengthen our position among our target audiences. We are committed to remaining agile and adaptable to the fast-evolving global landscape and new market realities. As we work hard to understand our customers' expectations, meet their needs, and delight them in innovative ways, we are confident of reinforcing our position as a key logistics player and delivering good shareholder value.

**Lim Jew Kiat**

Group Chief Executive Officer

16 July 2019

**SUSTAINABILITY STATEMENT****WHAT HAVE WE ACHIEVED SO FAR?**

As one of the leading logistics companies in Malaysia, our Group undertakes to transport customers' products whether by sea, land or air to their destination as timely, safely and efficiently as possible. Back in 2017, TRANSFORM 2025 was introduced to align our company's direction and ensure our business strategy was reflected in each business unit, operating company, office and individual's priorities. It set our guiding principles for how we conduct business and with our customers. The following shows our major achievements to date:

**Vision, Mission and Values**

A clear company direction with our Vision, Mission and Values.

**Employee Engagement Survey and Performance Development Reviews ("PDR")**

Employee engagement survey has been conducted, actions plans are being developed to address these areas. PDR also has been launched to ensure a consistent way of measuring employees' performance.

**Customer Survey**

Customer survey has been conducted during the year and it helps us to get deeper insight into our customers' requests and motivations and to develop strategies to better serve their needs.

**Business Unit Strategies**

Our business units have a stronger vertical connection, setting out the business direction and strategies driven by Transform objectives. This allows us to be more agile in market trends and customer demands.

**Customer Relationship Management ("CRM")**

Creating lasting loyal relationships with our customers and developing benefit-driven sales will help us to move out of price competition. Implementing a consistent sales process will lead to a consistent quality customer experience for all customers and linking this to a CRM tool, we are able to use this data to generate insight for the benefit of the customers.

**ABOUT THIS SUSTAINABILITY STATEMENT**

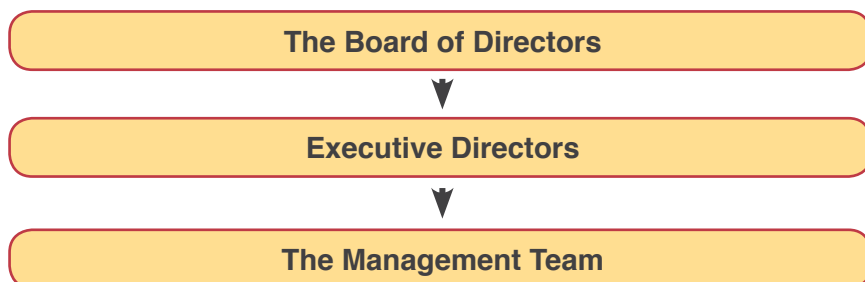
This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide by Bursa Malaysia Securities Berhad.

The reporting period for this Sustainability Statement is from 1 April 2018 to 31 March 2019. It covers TASCO Berhad's sustainability initiatives and practices, community engagement and activities.

## SCOPE

This Sustainability Statement covers the operations of the Group in Malaysia, including 26 logistics centres throughout Malaysia.

## SUSTAINABILITY GOVERNANCE STRUCTURE



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

## Stakeholder Engagement

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

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

Stakeholders	Area of Focus	Platforms and Tools Utilised
Shareholders / Investors Bankers / Media and Analyst	<ul style="list-style-type: none"> <li>• Business directions</li> <li>• Business performance</li> <li>• Corporate development</li> <li>• Prospect and strategies</li> <li>• Business risks</li> <li>• Return on Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Bursa announcements</li> <li>• Corporate website</li> <li>• Press conferences and media releases</li> <li>• Annual General Meeting / Extraordinary General Meeting</li> <li>• Quarterly results</li> <li>• Periodic engagements with equity analysts and fund managers</li> </ul>
Government / Regulators	<ul style="list-style-type: none"> <li>• Regulation and compliance</li> <li>• Accuracy, transparency and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Reports and policies</li> <li>• Corporate website</li> <li>• Site visits</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Business direction</li> <li>• Knowledge sharing</li> <li>• Safety procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings, briefings and workshops</li> <li>• Participation in exhibitions</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Business direction</li> <li>• Knowledge sharing</li> <li>• Service culture</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Customer support centre</li> <li>• Customers surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Welfare and benefits</li> <li>• Working environment</li> <li>• Training</li> <li>• Job performance evaluation</li> <li>• Employment equality</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications via email blasts, newsletter and memo</li> <li>• Performance management system</li> <li>• Training programme and briefings</li> <li>• Employee activities and events</li> <li>• Internal surveys</li> <li>• Written policies and procedures</li> </ul>

**SUSTAINABILITY STATEMENT**

Stakeholders	Area of Focus	Platforms and Tools Utilised
Local Communities	<ul style="list-style-type: none"> <li>• Business opportunity</li> <li>• Employment support</li> <li>• Education and social assistance</li> <li>• Social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement events and activities</li> <li>• Education and development programmes</li> </ul>

The Company values the feedbacks from stakeholders, and thus all the departments continuously empowered to actively engage with stakeholders and take the necessary steps to address issues raised by stakeholders. The Company believe through active engagement with stakeholders, the Company will be able to stay updated with the issues and concerns of stakeholders.

### Material Matters

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

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

The Group's Sustainability Statement 2019 remained its focuses on six (6) areas, defined as:-

COMPLIANCE &amp; GOVERNANCE

QUALITY

HUMAN RIGHTS

SAFETY &amp; HEALTH

ENVIRONMENT

COMMUNITY

### COMPLIANCE & GOVERNANCE

TASCO as a public listed company listed at the Main Market of Bursa Malaysia Securities Berhad, apart from the Listing Requirements of Bursa Malaysia, Malaysian Code on Corporate Governance 2017, the Companies Act 2016 and other rules and regulations from Malaysia regulatory bodies, the Group has set forth the Code of Conduct for all directors and employees belonging to the Group to observe and refer to for proper and ethical behaviour.

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

### Full Compliance with the Antitrust Law

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



## SUSTAINABILITY STATEMENT

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

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

Financial Year 2018			Financial Year 2019		
Region	Month & Year	No. of Employees	Region	Month & Year	No. of Employees
Southern Region	November 2017	65	Central Region	August 2018	195
East Region	November 2017				
Northern Region	February 2018				
KLIA	February 2018				

Besides our own training, YLK also provided online e-learning antitrust training, a total of 645 and 687 employees of the Group underwent this training in the financial year 2018 and 2019 respectively.

### Prohibition of Bribery

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

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

### Gift-giving and Entertainment

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

### Prohibiting Conflict of Interest

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

## QUALITY

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



**SUSTAINABILITY STATEMENT****CERTIFICATION AND APPRECIATION AWARDS**

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

- i. Major branches in the Group, Shah Alam Logistics Centre, KLIA Air Logistics Centre, Port Klang Logistics Centre I, Penang Air Logistics Centre, Penang Prai Logistics Centre and Berjaya Industrial Logistics Centre were accredited ISO 9001:2015.
- ii. Berjaya Industrial Logistics Centre was accredited ISO 14001:2015 and Food Safety System Certification ISO 22000.
- iii. West Port Logistics Centre was accredited Food Safety Management System ISO 22000.
- iv. KLIA Air Logistics Centre is certified TAPA FSR (Facility Security Requirements) by the Transported Asset Protection Association ("TAPA").
- v. Trucking service is certified TAPATSR (Trucking Security Requirements) by the Transported Asset Protection Association ("TAPA").
- vi. Awarded by JAKIM HALAL certification by Department of Islamic Development Malaysia – has complied with Islamic Law & Malaysia Halal Standard for Transportation & Warehousing for Penang Prai Logistics Centre, Berjaya Industrial Logistics Centre and West Port Logistics Centre.
- vii. Awarded with Good Distribution Practice in Medical Device (GDPMD) by TUV Nord Malaysia for two warehouses – Shah Alam Logistics Centre and Port Klang Logistics Centre I.

As a testament to our commitment to provide quality services to our customers, we were presented with various quality and appreciation awards from our customers as well as from various authorities over the years. The following are the awards that the Group gained for the recent years:-

**Year 2019**

15 March	Top Cargo Sales Award 2018 from Eva Air
8 April	TASCO Yusen Gold Cold Sdn Bhd earned the 2019 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan
12 April	A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASKargo through sales achievement in 2018
26 April	Top Agents Award from Korean Air Cargo
26 June	Top Agency Sales Award FY2018/2019 from Singapore Airlines Cargo

**Year 2018**

20 January	"The Best Partnering Company Award" from the Association of Malaysian Hauliers
10 April	TASCO Yusen Gold Cold Sdn Bhd earned the 2018 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan
20 April	A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASKargo through sales achievement in 2017
8 August	Special Award for Long Term Partnership Award from Huawei
7 December	Business Partner Appreciation Award from Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd
19 December	Top Cargo Sales Agent 2017/2018 by Thai Airways

## SUSTAINABILITY STATEMENT

### Year 2017

17 June	2016 Malaysia Domestic Logistics Service Provider of the Year from Frost & Sullivan
10 July	Top Customer Appreciation Award 2016 from Air France – KLM
14 July	“Special Recognition of Contribution to SONY operations in Malaysia” from SONY Asia Pacific Regional Logistics Office
12 December	Yusen Logistics Co., Ltd (YLK) received the Best Professional Service Award from Renesas Electronics Corporation (“Renesas”). YLK has been selected for this prestigious award in recognition of the global activities that it has conducted in cooperation with Renesas. A major part of the operations is undertaken by TASCOT, which has established a distribution centre inside the free commercial zone in Kuala Lumpur Airport exclusively for Renesas.

### Year 2016

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

### Year 2015

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

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

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

## TRAINING AND DEVELOPMENT

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

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

Type of Training	Month & Year	No. of Employee
Emergency Response Team (ERT) Transformation	April 2018	20
National Customs System for Import/ Export Clearance	May 2018	1
Analysing Data with SQL Server Reporting Services	May 2018	3
Custom Briefing	May 2018	27
MICROSOFT Excel (Intermediate)	July 2018	69
Certified CSR and Sustainability Management Professional	August 2018	1
MICROSOFT Excel (Advance)	August 2018	42
	September 2018	51
GDPMD Awareness	October 2018	23
GDPMD Internal Audit	October 2018	22
Sales and Service Tax	October 2018	61
	November 2018	30
Malaysia Business Reporting System	October 2018	1

**SUSTAINABILITY STATEMENT**

Type of Training	Month & Year	No. of Employee
MICROSOFT Power Point (Basic/Intermediate)	November 2018	24
	January 2019	13
Handling Disciplinary Issues Training	November 2018	32
Customs Procedure Training	December 2018	26
Puspakom Training	December 2018	2
MEF Workshop on Compliance with Employment Laws – The Practical Guides	December 2018	2
MICROSOFT Power Point (Advance)	January 2019	54
Failure Mode and Effect Analysis (FMEA) and Control Plan Training	February 2019	25
Email Etiquette Training	February 2019	21
	March 2019	36
Companies Act 2016 Made Simple : A Practical Guide for Company Director	March 2019	2
Cyber Security Awareness for Users – Are You Ready?	March 2019	3
Company Secretarial Practice 2017	March 2019	1

**HUMAN RIGHTS**

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

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

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

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

**SAFETY & HEALTH**

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

The Group had established a Safety Committee to formulate policies, action plans, and budgets for the implementation of road and work place safety programme. The Group is committed to Safety, Health and Environment excellence to all employees, customers, contractors and public in all its business activities wherever it operates.

To achieve the above, the Group shall:-

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

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

**a) Occupational Safety and Health**

Meetings were held by the Safety Committee to tackle material safety issues at work place and audits were conducted to ensure that safety policies and guidelines were being followed. On 31 October 2018, our Regional Head Quarter launched a Safety Campaign with the title – Mind Set of Safety and Prevention of Accident and Fatality. A series of safety trainings programme were conducted at all the branches and warehouses aimed at creating awareness and to promote safety among the employees and the customers.

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

Type of Training	Month & Year	No. of Employee
Dangerous Goods Regulations – Refresher	August 2018	1
Update on Malaysia's Security and DAESH/IS Threat	September 2018	3
First Aid Training	November 2018 December 2018	25 25

The firefighting systems and back-up generators of our major warehouses were inspected periodically by external fire contractors to ensure that they are in good operational condition. The hazardous areas in our major warehouses and offices were identified, updated, mapped and displayed in the buildings.

**b) Driver Defensive & Safety Training**

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

Type of Training	Month & Year	No. of Employee
Reach Truck Driver New Certificate Training	May 2018	11
ISO 39001 Road Traffic Safety Management System	September 2018	2
Driver Defensive & Safety Training	May 2018 November 2018	24 84
Driver Familiarization and Safety & Eco-cien Driver Training	July 2018 February 2019	14 15
TAPA Training	March 2019	145
Mercedes-Benz Actros Driver Training	March 2019	1



**SUSTAINABILITY STATEMENT****c) Certification of Forklift Operators**

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

Type of Training	Month & Year	No. of Employee
Reach Truck Driver New Certificate Training	April 2018	18
	May 2018	11
	July 2018	55
	October 2018	15
	December 2018	15
Train the Trainer – Internal Forklift Driver	July 2018	15
Forklift Training	February 2019	45
	March 2019	14

**ENVIRONMENT**

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

The following are being carried out:-

Recycling of waste is conducted at all major warehouses and offices.
Reduce emissions by our vehicle fleet maintenance programme and through the purchase of new trucks that have EURO engine specifications to lower smoke emission levels.
Drivers were sent for training to enhance their skill to drive in a fuel saving condition and use vehicle efficiently.
Use of battery operated handling equipment and gas powered forklifts to reduce noise and pollution.
Use of LED lightings thereby reducing heat and chemical emission.
Use or purchase of office equipment with energy saving features.
Maintaining only minimum lightings and air conditionings during lunch hour.
Plan journeys effectively and encourage drivers to drive safely and efficiently to reduce fuel costs and improve the environmental and safety performance.
New warehouses are designed to take maximum advantage of natural lighting.
Existing warehouses gradually switching from halogen high bay lights to LED high bay lights.

**COMMUNITY****Donation**

As a part of our company Corporate Social Responsibility activities, we have annually held a collection among our staff to be donated to orphanage homes and old folks homes during the fasting month. Our Company also contributed to the collection fund. For the financial year, our staff visited Rumah Anak-anak Yatim Puchong and Rumah Orang Tua Al-Ikhlas Pulau Meranti and a total of RM5,000 has been donated to the abovementioned entities.





### Internship Programme

The Group continuously accepts students from higher institutes of education into our internship training programme as part of our commitment to the community. The objective of our internship programme is to provide students with exposure to real work experiences that will provide them with opportunities to explore their interests and develop professional skills and competencies.

During the financial year, the Group has taken in students into its internship programme from Tunku Abdul Rahman University College, Universiti Teknologi Mara, Universiti Putra Malaysia, Universiti Tunku Abdul Rahman, Universiti Malaysia Terengganu, Universiti Malaysia Kelantan, Universiti Utara Malaysia, Taylor's University, Management & Science University, Politeknik Nilai, Politeknik Sultan Azlan Shah, Politeknik Metro, UCSI University, University Malaysia Kuala Lumpur and University Pertahanan Nasional Malaysia.

The Group accepted 77 students from various institutes of higher education into its internship programme in previous financial year. Whereas for the financial year under review, the group accepted 65 students into its internship programme.

### MOVING FORWARD

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

# THE **SECRETS** TO OUR **SUCCESS**

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



**Integration  
Services**

**Customised  
Services**

**Innovative  
Solutions**

**Reliable  
Brandings**

**Advanced  
IT Systems**

**Extensive  
Networks**

**Capable  
People**

**Competitive  
Pricing**

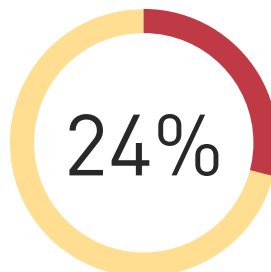
**Flexible  
Resources**

**Quality  
Services**



REVENUE RATIO  
FYE 31.03.2019REVENUE  
FYE 31.03.2019**AIR FREIGHT FORWARDING**

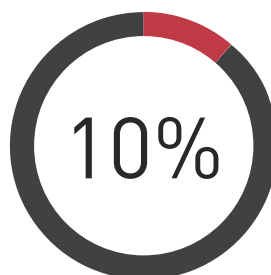
✓ Air Freight Services

**RM173.0**  
million**OCEAN FREIGHT FORWARDING DIVISION**

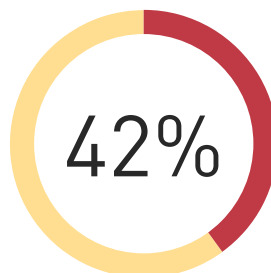
✓ Sea Freight Services

**ORIGIN CARGO ORDER & VENDOR MANAGEMENT DIVISION**

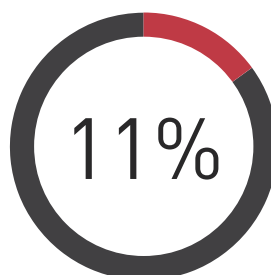
✓ Buyer Consolidation Services

**RM73.8**  
million**CONTRACT LOGISTICS DIVISION**

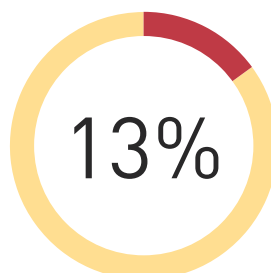
- ✓ Customs Clearance
- ✓ Haulage Transportation
- ✓ Warehousing Services
- ✓ Warehouse In-plant Services

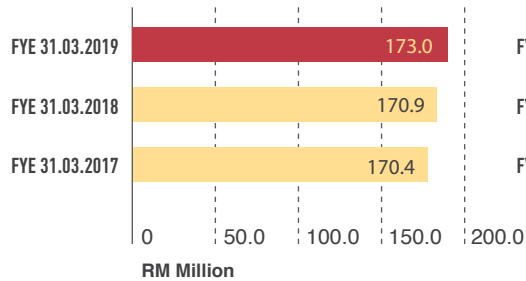
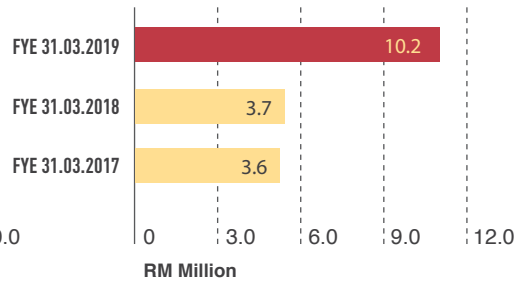
**RM309.7**  
million**TRUCKING DIVISION**

- ✓ Domestic Trucking
- ✓ Cross Border Trucking

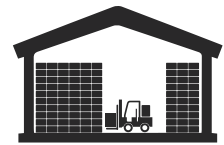
**RM81.3**  
million**COLD SUPPLY CHAIN DIVISION**

✓ Cold Supply Chain

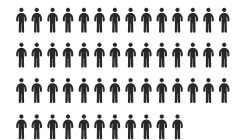
**RM99.0**  
million

**BUSINESS AT A GLANCE****REVENUE  
(MILLION RM)****PROFITS FROM OPERATIONS  
(MILLION RM)****RESOURCE  
FACILITIES**

**>550 Units**  
Prime Movers & Trucks



**>250,000m<sup>2</sup>**  
Warehouse Space



**Domestic: >2,500**  
**Worldwide: >62,000\***  
Employees

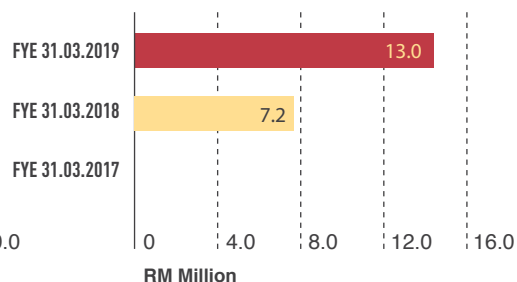
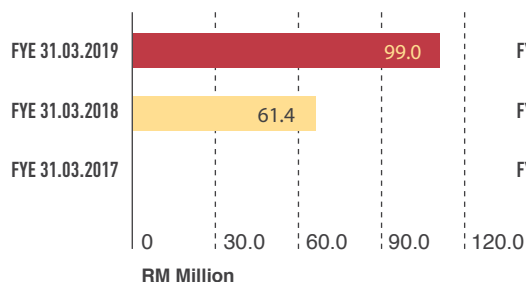
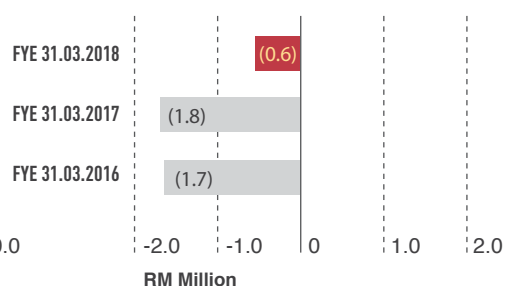
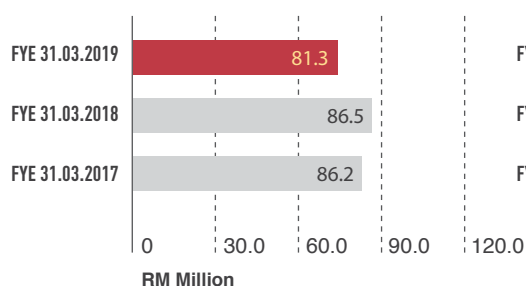
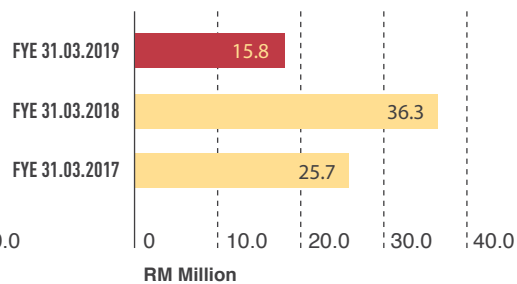
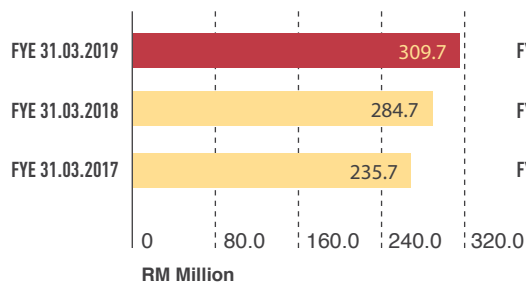
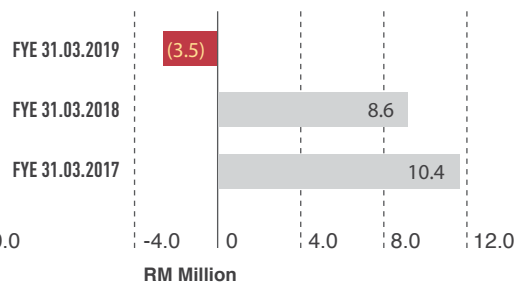
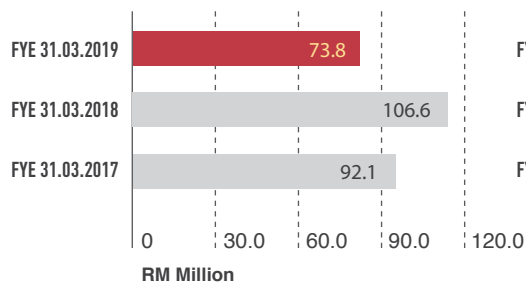


**26 Logistics Centres**  
Domestic Network



**578 Locations**  
under the  
Global Network of YLK

\* Under the global  
network of NYK Group



## BOARD OF DIRECTORS

<b>LEE CHECK POH</b>	<i>Non-Independent Executive Chairman</i>	
<b>LIM JEW KIAT</b>	<i>Non-Independent Group Chief Executive Officer</i>	
<b>TAN KIM YONG</b>	<i>Non-Independent Deputy Group Chief Executive Officer</i>	
<b>NORHIKO YAMADA</b>	<i>Non-Independent Executive Director</i>	<i>(Appointed on 1 April 2019)</i>
<b>LEE WAN KAI</b>	<i>Non-Independent Executive Director</i>	
<b>DATUK DR WONG LAI SUM</b>	<i>Independent Non-Executive Director</i>	<i>(Appointed on 1 March 2019)</i>
<b>KWONG HOI MENG</b>	<i>Independent Non-Executive Director</i>	
<b>RAYMOND CHA KAR SIANG</b>	<i>Independent Non-Executive Director</i>	
<b>RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER</b>	<i>Independent Non-Executive Director</i>	
<b>MASAKI OGANE</b>	<i>Non-Independent Executive Director</i>	<i>(Resigned on 1 April 2019)</i>
<b>YASUSHI OOKA</b>	<i>Non-Independent Non-Executive Director</i>	<i>(Resigned on 1 March 2019)</i>

### COMPANY SECRETARIES

**KANG SHEW MENG**  
**SEOW FEI SAN**  
**LOH LAI LING**

### REGISTERED OFFICE

802, 8th Floor, Block C  
Kelana Square  
17 Jalan SS7/26  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-78031126  
Fax : 03-78061387

### REGISTRARS

**SECURITIES SERVICES  
(HOLDINGS) SDN BHD**  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-20849000  
Fax : 03-20949940

### AUDITORS

**MAZARS PLT**  
Chartered Accountants  
Wisma Golden Eagle Realty  
11th Floor, South Block  
142-A Jalan Ampang  
50450 Kuala Lumpur  
Tel : 03-21615222  
Fax : 03-21613909

### PRINCIPAL BANKERS

**MALAYAN BANKING BERHAD**  
**MUFG BANK (MALAYSIA) BERHAD**

**MIZUHO BANK (MALAYSIA)  
BERHAD**

### STOCK EXCHANGE

**MAIN MARKET**  
**BURSA MALAYSIA SECURITIES  
BERHAD**  
Sector : Transportation &  
Logistics  
Stock Name : TASCO  
Stock Code : 5140

### WEBSITE

[www.tasco.com.my](http://www.tasco.com.my)

### AUDIT COMMITTEE

**KWONG HOI MENG**  
Independent Non-Executive Director  
Chairman

**RAYMOND CHA KAR SIANG**  
Independent Non-Executive Director  
Member

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

### NOMINATING COMMITTEE

**RAYMOND CHA KAR SIANG**  
Independent Non-Executive Director  
Chairman

**KWONG HOI MENG**  
Independent Non-Executive Director  
Member

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

### REMUNERATION COMMITTEE

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

**RAYMOND CHA KAR SIANG**  
Independent Non-Executive Director  
Member

**KWONG HOI MENG**  
Independent Non-Executive Director  
Member

**BOARD OF DIRECTORS****Front row (Left to Right)**

1. **Tan Kim Yong**  
*Non-Independent Deputy Group  
Chief Executive Officer*
2. **Lim Jew Kiat**  
*Non-Independent Group  
Chief Executive Officer*
3. **Lee Check Poh**  
*Non-Independent Executive Chairman*
4. **Norihiko Yamada**  
*Non-Independent Executive Director*

**Second row (Left to Right)**

1. **Kwong Hoi Meng**  
*Independent Non-Executive Director*
2. **Datuk Dr Wong Lai Sum**  
*Independent Non-Executive Director*
3. **Raymond Cha Kar Siang**  
*Independent Non-Executive Director*
4. **Raippan s/o Yagappan @ Raiappan Peter**  
*Independent Non-Executive Director*
5. **Lee Wan Kai**  
*Non-Independent Executive Director*

**Note:**

1. No Director has any family relationships with any other Directors and/or major shareholders of the Company except Mr. Lee Wan Kai who is the son of Mr. Lee Check Poh.
2. Other than the related party transactions disclosed in the Annual Report, no Director has any conflict of interest with the Company.
3. No Director has been convicted of any offences within the past 5 years other than traffic offences, if any.



*Non-Independent Executive Chairman*

<b>NAME</b>	LEE CHECK POH
<b>AGE</b>	70
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	24 April 1989

**Qualification**

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

**Other Directorship in Public Company**

None

**Experience**

- Currently appointed as the Executive Chairman
- Joined the Group in year 1977 and appointed as a Director and the Managing Director in year 1989 and 1998 respectively. Re-designated as Executive Chairman in 2013
- Was appointed as an Executive Director and later as the Managing Director of Sony Logistics (M) Sdn Bhd between 1989 and 2004
- Was appointed as the Chairman of Yusen Logistics (Singapore) Pte Ltd and Chief Regional Officer of Yusen Logistics South Asia Oceania Region from April 2015 to June 2018
- Was appointed as the Director / Executive Officer of Yusen Logistics Co., Ltd from April 2015 to March 2018
- Currently appointed as Director / Corporate Officer of Nippon Yusen Kabushiki Kaisha since April 2018

**Training**

Cyber Security Awareness for Users – Are You Ready?



**PROFILE OF BOARD OF DIRECTORS***Non-Independent Group Chief Executive Officer*

<b>NAME</b>	LIM JEW KIAT
<b>AGE</b>	58
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	19 August 2013

**Qualification**

Malaysia Certificate of Education

**Other Directorship in Public Company**

None

**Experience**

- Currently appointed as the Group Chief Executive Officer
- Re-designated as Group Chief Executive Officer in 2019
- Joined the Group in 1991 and appointed as the Managing Director in 2013
- During his employment in the Company, he was assigned to various business divisions of the Group
- Prior to his joining the Group, he was involved in sales, dealing in courier services, chemicals and computers

**Training**

Cyber Security Awareness for Users – Are You Ready?

*Non-Independent Deputy Group Chief Executive Officer*

<b>NAME</b>	TAN KIM YONG
<b>AGE</b>	57
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	17 February 2011

**Qualification**

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

**Other Directorship in Public Company**

None

**Experience**

- Currently appointed as the Deputy Group Chief Executive Officer in charge of Corporate Development Function Group
- Re-designated as Deputy Group Chief Executive Officer in 2019
- Joined the Group in 1996 and appointed as Deputy Managing Director in 2011
- Prior to his joining the Group he was in the auditing line, handled project accounting for a construction company and held the post of Financial Controller in an engineering company and in a German multinational company

**Training**

Certified CSR and Sustainability Management Professional



## PROFILE OF BOARD OF DIRECTORS



*Non-Independent Executive Director*

<b>NAME</b>	NORIIHIKO YAMADA
<b>AGE</b>	51
<b>NATIONALITY</b>	Japanese
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	1 April 2019

### Qualification

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

### Other Directorship in Public Company

None

### Experience

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

### Training

N/A



*Non-Independent Executive Director*

<b>NAME</b>	LEE WAN KAI
<b>AGE</b>	43
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	19 August 2013

### Qualification

Bachelor of Commerce (Queen's University, Canada)

### Other Directorship in Public Company

None

### Experience

- Currently appointed as the Chief Business Development Officer of TASCO Group
- Appointed as Managing Director of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO) in September 2017
- Appointed as Operation Director in charge of Supply Chain Solutions Function from June 2014 to December 2017
- Joined the Group in 2005 and appointed as Corporate Executive Director in 2010
- Prior to his joining the Group, he was practising as a Certified Public Accountant in the audit firms involved in audit engagement, taxation, initial public offering, merger and acquisition projects

### Training

Companies Act 2016 Made Simple : A Practical Guide for Company Directors

**PROFILE OF BOARD OF DIRECTORS***Independent Non-Executive Director*

<b>NAME</b>	KWONG HOI MENG
<b>AGE</b>	52
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	30 October 2007

**Qualification**

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

**Other Directorship in Public Company**

None

**Experience**

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

**Training**

- Updates of the 2017 & 2018 MFRS – Preparing MFRS-compliant Financial Statements
- MBRS for Preparers – Financial Statements
- 2019 Budget Seminar

*Independent Non-Executive Director*

<b>NAME</b>	RAYMOND CHA KAR SIANG
<b>AGE</b>	48
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	30 October 2007

**Qualification**

LLB (Hons) Malaya (University of Malaya)

**Other Directorship in Public Company**

None

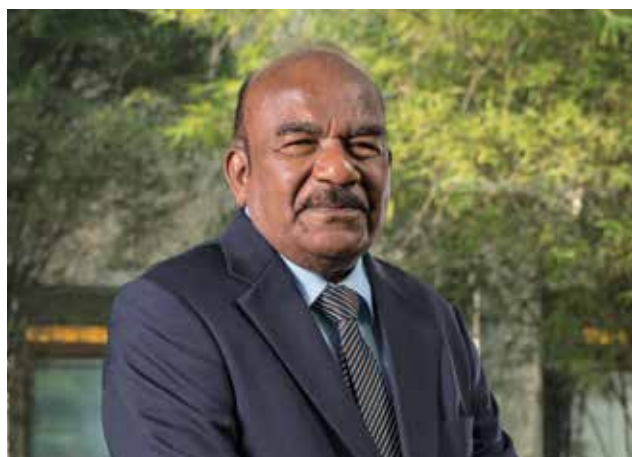
**Experience**

- Appointed as an Independent Director in year 2007. He is also the Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee
- Admitted to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1996 and currently appointed as the Managing Partner of Putra Ray & Partners

**Training**

Breakfast Series – “Non-Financials – Does It Matter”

## PROFILE OF BOARD OF DIRECTORS



*Independent Non-Executive Director*

<b>NAME</b>	RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
<b>AGE</b>	75
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Male
<b>DATE OF APPOINTMENT</b>	30 October 2007

### Qualification

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

### Other Directorship in Public Company

None

### Experience

- Appointed as an Independent Director in year 2007. He is also the Chairman of the Remuneration Committee, a member of the Nominating Committee and Audit Committee
- Served in the Ministry of Labour (now known as the Ministry of Human Resource) between 1967 and 1994. Retired as the Deputy Director General of the Industrial Relations Department. Currently, the Managing Consultant of Inforite IR Consultancy

### Training

Companies Act 2016 Made Simple : A Practical Guide for Company Directors



*Independent Non-Executive Director*

<b>NAME</b>	DATUK DR WONG LAI SUM
<b>AGE</b>	64
<b>NATIONALITY</b>	Malaysian
<b>GENDER</b>	Female
<b>DATE OF APPOINTMENT</b>	1 March 2019

### Qualification

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

### Other Directorship in Public Company

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

### Experience

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

### Training

N/A

**PROFILE OF KEY MANAGEMENT****NAME** CHE WUI CHING**AGE** 45 / Malaysian / FemaleCorporate Director  
Finance Group**Qualification:**

Bachelor of Commerce in Accounting

**Working Experience:-**

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

**NAME** DORAIRAJ A/L SENGARAM**AGE** 53 / Malaysian / MaleCorporate Director  
Operations**Qualification:**

Bachelor of Arts in Business Administration

**Working Experience:-**

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

**NAME** KONG PUI KIN**AGE** 49 / Malaysian / MaleGeneral Manager  
International Freight Forwarding Group**Qualification:**

Bachelor of Arts in Business Management

**Working Experience:-**

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

**NAME** MOHD SUFFIAN BIN MOHD SAID**AGE** 51 / Malaysian / MaleCorporate Director  
Customs Forwarding Group**Qualification:**

Bachelor in Business Administration

**Working Experience:-**

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

**NAME** SUNG BOON LEONG**AGE** 61 / Malaysian / MaleCorporate Director  
Northern Region Head**Qualification:**

Bachelor of Social Science in Economics and Psychology

**Working Experience:-**

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

**NAME** MASANORI TAKAHASHI**AGE** 49 / Japanese / MaleGeneral Manager  
Total Logistics Sales Division - Japanese sales**Qualification:**

Bachelor of Laws

**Working Experience:-**

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



## PROFILE OF KEY MANAGEMENT

**NAME** LIM CHIN LEE

**AGE** 47 / Malaysian / Male

General Manager  
Total Logistics Sales Division – Non- Japanese Sales

**Qualification:**

Bachelor of Commerce in Marketing and Management

**Working Experience:-**

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

**NAME** HARIS FAZAIL BIN HAROON

**AGE** 54 / Malaysian / Male

Director  
Support Service Division of TASCO Yusen Gold Cold Sdn Bhd (“TYGC”) Group

**Qualification:**

Advanced Diploma in Business Administration (Transport)

**Working Experience:-**

- Joined the company in 1995 as an Executive
- Appointed as Head of Truck Freight Centre of Penang Prai Logistics Centre in 1998
- Appointed as Trucking Division Head in 2007
- Appointed as Corporate Director of TASCO in 2011
- In charge of Transport, Haulage and Warehouse Group
- Appointed as Director of TYGC in 2008
- In charge of Support Service Division of TYGC Group
- 24 years of working experience in the trucking Business

**NAME** TAN NEE PHING

**AGE** 49 / Malaysian / Female

Corporate Director  
Cold Supply Chain Division of TYGC Group

**Qualification:**

Bachelor Degree in Marketing

**Working Experience:-**

- Joined Gold Cold Integrated Logistics Sdn Bhd (f.k.a. MILS Cold Chain Logistics Sdn Bhd) as Senior Manager, Logistics Hub-Business & Solutions Development since 2006
- Appointed as Corporate Director in TYGC in 2019
- In charge of Cold Supply Chain Division of TYGC Group
- 26 years of experience in logistics industry focusing in cold chain warehousing and transportation

**NAME** LAWRENCE QUEK HWAI CHOO

**AGE** 51 / Malaysian / Male

Deputy General Manager  
Southern Region Head

**Qualification:**

Diploma in Business Management

**Working Experience:-**

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

**NAME** CHOY WENG HOE

**AGE** 47 / Malaysian / Male

Corporate Director  
Finance Division of TYGC Group

**Qualification:**

Master of Business Administration  
Member of Malaysian Institute of Accountants

**Working Experience:-**

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

**NAME** TAN JUI HOW

**AGE** 54 / Malaysian / Male

Corporate Director  
Convenience Retail Division of TYGC Group

**Qualification:**

Master of Business Administration  
Bachelor in Computer Science

**Working Experience:-**

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

**Note :**

1. No Key Senior Management has any family relationships with any directors and/or major shareholders of the Company.
2. No Key Senior Management has any conflict of interest with the Company.
3. No Key Senior Management has been convicted of any offences within the past 5 years other than traffic offences, if any.
4. None of the Key Senior Management has any directorship in public companies and listed issuers.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

**To earn the trust of stakeholders – not only shareholders but also customers, business partners and the regional communities in which TASCO maintains a presence – and meet their expectations, the Group strives to build and further enhance a management structure optimised for management transparency and efficiency.**

## **Guidelines**

The Board of Directors (“Board”) is committed in ensuring that the principles and best practices on corporate governance are observed and practised throughout the Group as the fundamental part of discharging its responsibilities to protect and enhance shareholders’ value.

The Malaysian Code on Corporate Governance (“Code”) sets out the principles and best practices on structures and processes that the Group may use towards achieving their optimal governance framework. The Board has also provided specific disclosures on the application of each practices in its Corporate Governance Report (“CG Report”). The CG Report was announced to Bursa Securities together with the Annual Report of the Company. A copy of the CG Report can be obtained from the Company’s website at [www.tasco.com.my](http://www.tasco.com.my). Shareholders are advised to read this Overview Statement together with the CG Report.

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

## **BOARD LEADERSHIP AND EFFECTIVENESS**

### **I Board Responsibility**

#### **Internal Organisation Structure**

As at 30 June 2019, the Board comprises nine (9) members, including four (4) Independent Non-Executive directors. The Board had also established the following three (3) Board Committees and at management level a Risk Management Committee to assist the Board in carrying out its fiduciary duties. The Board Committees are:

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

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

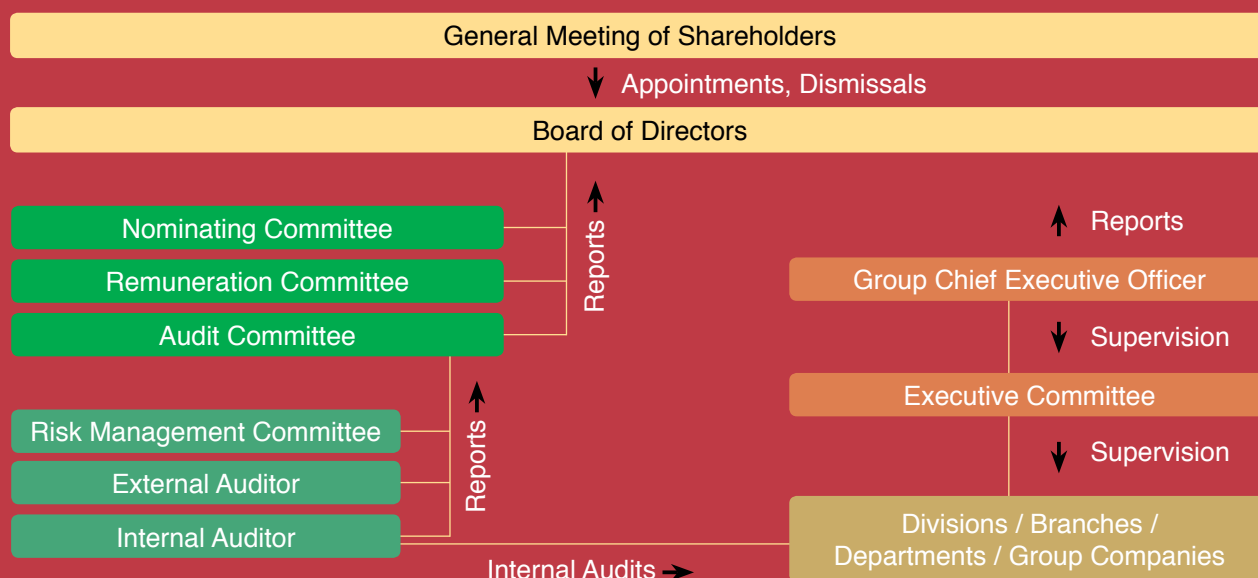
The Executive Committee headed by the Group Chief Executive Officer comprises fourteen (14) members including Executive Directors from the Board and senior level staff. The Executive Committee is responsible to discuss matters of particularly critical importance from the prospective of day to day management and operation strategies.

The positions of the Chairman and the Group Chief Executive Officer are held by two (2) individuals. There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer, which will ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and workings of the Board. The Group Chief Executive Officer is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

Overall, our internal organisation structure is designed to clarify lines of authority and responsibility for the business and operation strategies, promote fast and accurate decisions, and enhance management transparency and efficiency.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT



### Board Charter and Directors' Code of Conduct and Ethics

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Board reviewed the Board Charter on 15 November 2018.

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

The Board Charter and Directors' Code of Conduct and Ethics are made available for reference in the Company's website [www.tasco.com.my](http://www.tasco.com.my). The Board Charter would be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibility.

### Whistleblowing Policy and Procedure

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

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

### Succession Planning

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Qualified Company Secretaries**

The Board would ensure the Company is supported by qualified, experienced and competent company secretary. The Company Secretary is capable as official liaison party to TASCO to communicate, prepare, and submit statutory returns with the Companies Commission of Malaysia ("CCM") in compliance with the statutory requirements under the Malaysian Companies Act 2016 ("Act").

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

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

**Board meeting**

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

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

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

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

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

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

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets. Besides Datuk Dr Wong Lai Sum currently holding three (3) directorships in other public listed companies, none of the Directors held directorship in other listed company.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**II Composition of the Board**

The Board comprises the following members and the details of attendance of each member at the Board meetings held during the financial year ended 31 March 2019 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	4/4
Lim Jew Kiat (Group Chief Executive Officer)	Executive	No	4/4
Tan Kim Yong (Deputy Group Chief Executive Officer)	Executive	No	4/4
Masaki Ogane <sup>(1)</sup>	Executive	No	4/4
Lee Wan Kai	Executive	No	3/4
Norihiko Yamada <sup>(2)</sup>	Executive	No	0/0
Raymond Cha Kar Siang	Non-Executive	Yes	4/4
Kwong Hoi Meng	Non-Executive	Yes	4/4
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	4/4
Datuk Dr Wong Lai Sum <sup>(3)</sup>	Non-Executive	Yes	0/0

Notes:-

<sup>(1)</sup> Resigned as Non-Independent Executive Director on 1 April 2019

<sup>(2)</sup> Appointed as Non-Independent Executive Director on 1 April 2019

<sup>(3)</sup> Appointed as Independent Non-Executive Director on 1 March 2019

On 1 March 2019, Mr Yasushi Ooka resigned as Non-Independent Non-Executive Director of the Company.

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

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

The Board considers that the current size of the Board is adequate and facilitates effective decision making. The Board also reviews on an annual basis the appropriateness of its size.

The Board's composition complies with the LR that requires at least 1/3 of the Board to comprise Independent Non-Executive Directors. However, it is not in line with Practice 4.1 of the Code where it requires at least half of the Board members comprises independent directors. Necessary steps are taken to meet the requirements of the Code as mentioned above. On 1 March 2019, the Board warmly welcomed a new member, Datuk Dr Wong Lai Sum as our Independent Non-Executive Director. The appointment of Datuk Dr Wong has brought us 1 step closer to the observance of Practice 4.1 of the Code.

There is a balance in the Board because of the presence of Independent Non-Executive Directors who bring strong independent judgment, knowledge, skills and experience to the Board's deliberations during the decision making process. The Independent Non-Executive Directors ensure that the interest of the minority shareholders and other stakeholders are given due consideration in the deliberations of the various issues and matters affecting the Group.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

In March and April 2019, Mr Yasushi Ooka and Mr Masaki Ogane resigned from the Board, they were recalled back to home country and seconded to other positions. Their resignations were accepted by the Board.

### **Tenure of Independent Directors**

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

If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual approval from shareholders. If the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders approval through a two-tier voting process.

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

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

The Independent Directors of the Company who have served for a cumulative term of more than nine (9) years (but less than twelve (12) years) are Mr. Kwong Hoi Meng, Mr. Raymond Cha Kar Siang and Mr. Raiappan s/o Yagappan @ Raiappan Peter.

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

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

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

### **Appointment and Re-election of Directors**

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

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

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

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

The Company has a gender diversity policy in place, whereas the gender diversity policy required that in any list of proposed candidates to the Board shall consist of at least one (1) woman candidate, wherever reasonably possible during the selection process. The Nominating Committee is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes. The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board. The Board will monitor the Company's performance in meeting the target and shall review the policy and target set to achieve gender diversity in the boardroom as and when needed. The Company has on 1 March 2019 appointed a female Independent Non-Executive Director to the Board.

For appointment of Independent Directors, the Nominating Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the LR. During the financial year under review, the Company appointed a new Independent Non-Executive Director, the Nominating Committee reviewed the academic background, working experience, expertise and skills of Datuk Dr Wong Lai Sum ("Datuk Dr Wong") and of the opinion that Datuk Dr Wong is the most suitable candidate based on her previous experience as Economic Advisor in the Ministry of Transport and Director of Port Klang Authority. The Nomination Committee believed the appointment of Datuk Dr Wong undoubtedly is a value added to the Board and would be in the best interest of the Company. The engagement of Datuk Dr Wong was from a third party referral.

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

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

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Nominating Committee**

The Nominating Committee was set up on 6 December 2007 and the terms of reference of the Nominating Committee and the nomination and election process of directors are made available for reference in the Company's website [www.tasco.com.my](http://www.tasco.com.my). The Board reviewed the terms of reference of Nominating Committee on 15 November 2018.

The Nominating Committee comprises the following members and the details of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 March 2019 are as follows:

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

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

**a) Annual Assessment of Existing Directors**

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

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

The Nominating Committee had met to review the mix of skills, experience and qualities of the Board committees and Board members as well as the appropriateness of the size of the Board and concluded that the Board composition was adequately balanced in ensuring continued effectiveness and efficiency.

**b) Assessment on Independence of Directors**

In line with the Code, the Board, with the assistance of the Nominating Committee, is required to review the independence of the Company's Independent Non-Executive Directors on an annual basis. The Board adopts the definition of an 'Independent Non-Executive Director' as provided by the LR, and such definition is used as criteria for Directors' independence assessment whereby Directors are required to provide written confirmation on their independence on yearly basis. In addition, a consideration would be given to assess whether the independent directors are able to act independently of management and free from any businesses or other relationship.

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



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

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

The Nominating Committee also carried out the following activities during the financial year under review:-

- Reviewed and recommended the candidacy for the appointment of a new Independent Non-Executive Director.
- Reviewed and recommended to the Board the re-election of Directors who retire in accordance with the Company's Constitution.
- Reviewed and assessed the effectiveness of the Board and Board Committees.

### Directors' Training

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

The Board has empowered the Directors of the Company to determine their own training requirements as they consider necessary or deem fit and expedient to keep themselves updated on the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations. During the financial year, all the Directors have attended training listed under their respective individual director profile. This is in compliance with paragraph 15.08(2) of the LR.

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

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

## III Remuneration Committee

The Remuneration Committee comprises the following members and the details of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 March 2019 are as follows:

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

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

The terms of reference of the Remuneration Committee has been reviewed by the Board on 15 November 2018 and it complies with the recommendations of the Code.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

The levels of remuneration of the Directors should reflect the rate to attract and retain their services taking into consideration the prevailing market pay and employment conditions within the industry. The remuneration should comprise components to cover rewards linking corporate performance and individual contribution towards the overall results, in the case of Executive Directors reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills.

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

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

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM300,000 for the period from 23 August 2019 until the next AGM. In addition, shareholders' approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 23 August 2019 until the next AGM of the Company.

The details of the remuneration of Directors of the Company and Group for the financial year ended 31 March 2019 by category and in the band of RM50,000 are as follows:

**Received from the Company**

<b>Range of Remuneration</b>	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
Below RM50,000	-	4
RM50,001 to RM100,000	-	1
RM300,001 to RM500,000	1	-
RM750,001 to RM1,000,000	2	-
RM1,000,001 to RM1,250,000	2	-

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

	<b>Fees RM</b>	<b>Salaries and other emoluments RM</b>	<b>Total RM</b>
Executive Directors	-	4,210,695	4,210,695
Non-Executive Directors	155,000	-	155,000

**Received from the Group**

<b>Range of Remuneration</b>	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
Below RM50,000	-	4
RM50,001 to RM100,000	-	1
RM300,001 to RM500,000	1	-
RM750,001 to RM1,000,000	2	-
RM1,000,001 to RM1,250,000	2	-

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

	<b>Fees RM</b>	<b>Salaries and other emoluments RM</b>	<b>Total RM</b>
Executive Directors	-	4,210,695	4,210,695
Non-Executive Directors	155,000	-	155,000

The details of the remuneration of Key Management of the Company and Group for the financial year ended 31 March 2019 by category and in the band of RM50,000 are as follows:

<b>Range of Remuneration</b>	<b>Group</b>	<b>Company</b>
Below RM50,000	-	-
RM100,000 to RM200,000	1	-
RM200,001 to RM300,000	4	4
RM300,001 to RM550,000	6	4
RM550,001 to RM700,000	2	2

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### I Audit Committee

The Audit Committee, set up on 6 December 2007, is responsible to assist the Board to review the adequacy and integrity of the Group's internal control systems and all financial statements before their submission to the Board for approval. The terms of reference of Audit Committee has been reviewed on 15 November 2018 and is available in the Company's website.

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

The composition of the Audit Committee together with its reports is presented in Audit Committee Report in this Annual Report. The Board has not appointed any of the Company's former key audit partners as a member of the Audit Committee. The Audit Committee will observe a minimum two (2) years cooling-off period before any former key audit partner can be appointed as a member of the Audit Committee.

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board at its meeting held on 21 February 2019 accepted the Audit Committee's recommendation and was satisfied with Mazars PLT's suitability and audit independence thus agreed to put forward a resolution on their appointment to the shareholders for approval at the forthcoming AGM.

For the financial year ended 31 March 2019, statutory audit fees incurred by the Company and on Group basis is RM101,850 and RM300,463 respectively while the review of quarterly financial statements incurred by the Company on Group basis is RM69,500.

The non-audit fees incurred for services rendered for the Company and the Group by the external auditors for the financial year ended 31 March 2019 is RM74,500.

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect. The Board is also required by the Act to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A statement by the Board of its responsibilities for preparing the financial statements is set out on page 57 of this Annual Report.

In presenting its quarterly results and annual financial statements to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Company has established an appropriate and transparent relationship with its external auditors through the Audit Committee. The Audit Committee and the Board also review the information to be disclosed before the release to Bursa Malaysia.

## II Risk Management and Internal Control Framework

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

The Company adopts the COSO (Committee of Sponsoring Organisations of the Treadway Commission) control framework throughout our audit implementation as a basis for assessing the adequacy and effectiveness of the Company's risk and control processes. The Company has established a Risk Management Committee at management level which comprises ten (10) members of senior level staff who are responsible to ensure that there is a risk management programme in place to identify and manage the major or significant operational, financial and market risks associated with the Group's businesses.

The Risk Management Committee seeks to improve the administration and operation of the Company by adopting the following Risk Tabulation Table to identify and evaluate its risk exposure, focusing on its operational processes. Appropriate measures will be taken to mitigate these risks in the future.

Risk Tabulation Table				
LIKEHOOD	High			
	Medium			
	Low			
		Minor	Moderate	Major
IMPACT				

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

### Internal Control System

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review the adequacy and the integrity of the internal control systems.

The Directors also take cognisance of the importance of identifying principal risks and having an appropriate risk management system. The Group has an internal audit function, which reports to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

### Internal Audit Function

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

The Internal Audit Function is outsourced to an independent professional firm, Messrs. Omar Arif & Co. which reports directly to the Audit Committee. Each quarterly audit is performed by approximately 2 to 3 internal auditors depending on the area of audit. The Internal Auditor prepares and tables an Annual Internal Audit Plan for the consideration and approval of the Audit Committee. The Internal Auditor adopts a risk-based approach in preparing its audit strategy and annual plan was based on the risk profiles of the business operations. The scope of the internal audit is based on the audit plan. The Internal Auditor reports to the Audit Committee on a quarterly basis and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

During the financial year, the Internal Auditor conducted audit in the areas of Trucking, Warehouse, Human Resource Management, Procurement, Ocean Freight Forwarding & Original Cargo Order and Information Technology Management. During which, the Internal Auditor also tabled the Audit Planning Memorandum to the Board for approval.

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

The Group incurred RM45,085 for internal audit costs during the financial year ended 31 March 2019.

The Statement of Risk Management and Internal Control, set out on pages 61 and 62 of this Annual Report, which has been reviewed by external auditors, provide an overview of the state of internal controls within the Group. Further information on the internal audit function and its activities are set out on page 59 of this Annual Report.

## INTEGRITY IN CORPORATE REPORTING AND MENINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I Communicate with Stakeholders

The Board values its dialogue with both institutional shareholders and private investors and recognises that timely and equal dissemination of relevant information be provided to them. In this regard, it adheres to the disclosure requirements of Bursa Malaysia by making announcements via the Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). Information of the Company is also disseminated through the following channels:

- a) Annual Report;
- b) Circular to Shareholders; and
- c) Company's website at [www.tasco.com.my](http://www.tasco.com.my)

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

#### Mr. Lim Jew Kiat

#### (Group Chief Executive Officer)

Telephone number : 03-51018888

Fax number : 03-55488288

Email address : [freddie.lim@tasco.com.my](mailto:freddie.lim@tasco.com.my)



**CORPORATE GOVERNANCE OVERVIEW STATEMENT****Mr. Tan Kim Yong  
(Deputy Group Chief Executive Officer)**

Telephone number : 03-51018888

Fax number : 03-55488288

Email address : ky.tan@tasco.com.my

A copy of the annual report is sent to all our shareholders and is available upon request. By making various announcements through Bursa Malaysia in particular the timely release of the quarterly results, members of the public can also obtain the full financial results and the announcements from the Bursa Malaysia website.

**II Conduct of General Meeting**

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

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

The Board ensures that each item of special business included in the Notice of AGM or Extraordinary General Meeting must be accompanied by an explanation of the effects of the proposed resolution.

**Compliance with the Code**

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

**STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS**

The Directors are required by the Act, to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards, and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year. In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure that all applicable accounting standards have been followed; and
- Prepared the financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility of ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2019.

### COMPOSITION AND ATTENDANCE

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

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

The AC has 3 members, all of whom are Independent Directors. This meets the requirement of Practice 8.4 of the Code where the AC consists solely of independent directors. The AC Chairman is not the Chairman of the Board in accordance to Practice 8.1 of the Code.

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

### AUTHORITY

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

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

The full terms of reference of the AC can be viewed at the Company’s website [www.tasco.com.my](http://www.tasco.com.my).

### MEETINGS

The AC met four (4) times during the financial year ended 31 March 2019. A quorum of two (2) independent directors was always met for the AC meetings.

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

The lead audit partner of the External Auditors responsible for the Group audit attended two (2) AC meetings during the financial year to present the auditors’ report on the annual audited financial statements and their Audit Planning Memorandum before commencement of the audit of the Group. The AC also met the External Auditors on two (2) occasions without the presence of the Board of Directors (“Board”) and the management. At these meetings the AC enquired about the management cooperation with the External Auditors, access to information in their course of audit and proficiency in financial reporting. The External Auditors were also invited to raise any matter that is of importance to the AC.

**AUDIT COMMITTEE REPORT****INTERNAL AUDIT**

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

On annual basis, the Internal Auditors presented their audit plan to the AC for review and approval. The audit findings and report are presented to the AC members at all the AC meetings held during the financial year ended 31 March 2019. Their reports cover the status and progress of their assignments, audit recommendations, management’s response and the outcome of the procedural review on RPT, follow up audit reports were also presented to the AC.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2019 is RM45,085.

**SUMMARY OF ACTIVITIES**

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

**Financial Reporting and Compliance**

- Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:
  - (i) significant and unusual events;
  - (ii) changes in or implementation of major accounting policy; and
  - (iii) compliance with accounting standards and other legal requirements.
- Reviewed the Group’s quarterly results and year-end financial statements with applicable approved and new accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.
- Reviewed the Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for insertion into the Annual Report 2018.

**Internal Audit and Risk Management**

- Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.
- Reviewed and assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management’s responses to key areas and proposed recommendations for improvements to be implemented.
- Reviewed the audit report prepared by the Internal Auditors, considered their material findings and assessed the Management’s responses and action.
- Considered the renewal of Internal Audit engagement.
- During the financial year, the Internal Auditors conducted audit in the areas of Trucking, Warehouse, Human Resource Management, Procurement, Ocean Freight Forwarding & Original Cargo Order, and Information Technology Management.

**External Audit**

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

**Related Party Transaction**

- Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the LR.
- Reviewed the policies, procedures and processes established for related party transactions.
- Reviewed the Recurrent Related Party Transactions circular and recommend to the Board to seek shareholders' approval for renewal of shareholders mandate.

**OTHER INFORMATION**

The Nominating Committee had on 21 February 2019 reviewed the term of office of the AC Members and assessed the performance of the AC and its Members through an annual Board Committee effectiveness assessment. The Nominating Committee is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference. The result of the assessment was reported to the Board and the Board is in concurrence with the Nominating Committee with regard to the performance of the AC and its Members.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

### CONTINUOUS PROCESS

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

- Organisation structure are properly drawn up according to functions with clear defined delegation of responsibilities to the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- 6 branches in the Group, Shah Alam Logistics Centre, Penang Prai Logistics Centre, Port Klang Logistics Centre, Penang Air Logistics Centre, KLIA Air Logistics Centre and Berjaya Industrial Logistics Centre were accredited ISO 9001:2015 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Documented guidelines on operating procedures have been put in place for relevant departments;
- Regular information are provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Budgeting and forecasting system governed by Group's policies;
- Regular internal audit visits and other specific assignments, if the need arises, assigned by the Audit Committee;
- The Audit Committee holds regular meetings with the management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management;
- Established the Code of Conduct documenting and communicating the ethical principles and expected standard of conducts for and to all the personnel within the Group; and
- Implementation of a written Whistle Blowing Policy which set out formal channels through which relevant matters may be raised by concerned parties.

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



## INTERNAL AUDIT

The Group has outsourced the Internal Audit Function to an independent professional firm, Messrs Omar Arif and Co. which reports to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls. The Internal Auditor provides an independent, objective assurance and advisory services that add value and improve the operations by:

- Ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- Ensuring the adequacy and effectiveness of internal control systems for safeguarding of assets and providing consistent, accurate financial and operational data;
- Promoting risk awareness and the value and nature of an effective internal control system;
- Ensuring compliance with laws, regulations, corporate policies and procedures; and
- Assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations.

The Internal Audit Function focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee.

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

## RISK MANAGEMENT

The Group seeks to respond to the risks inherent in its business operations through supervisory departments, which address operating risks in each business division, and through the establishment of internal rules geared to each risk. The Board has set up Risk Management Committee to underpin an integrated internal control system appropriate for the entire organisation and continues to enhance risk management practices where necessary by ascertaining the status of such practices on a regular basis. Activities of Risk Management Committee include:

- Ensuring the Company implements a comprehensive system of risk identification, assessment and management;
- Forms an integral part of the Group's structure and design to identify, assess, monitor and manage risks;
- Regularly reviews the risks factors applicable to the Group; and
- Ensuring that procedures, which effectively and efficiently manage these risks within the particular context of the Group's business strategy and the environment in which the Group operates, are set in place.

**ADDITIONAL COMPLIANCE INFORMATION****1. AUDIT FEES AND NON-AUDIT FEES**

During the financial year ended 31 March 2019, the amount of audit fees and non-audit fees paid or payable by the Company and the Group to external auditors are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Audit Fees	300,463	101,850
Non-Audit Fees	74,500	74,500

**2. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST**

Other than the related party transactions disclosed in the Annual Report, there were no material contracts entered into by the Group during the year which involved the interests of Directors or substantial shareholders.

**3. RECURRENT RELATED PARTY TRANSACTION**

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2019 are as follows:

<b>No.</b>	<b>Nature of Transactions</b>	<b>Transacting Parties</b>	<b>Interested Related Parties</b>	<b>Aggregate Value (RM'000)</b>
1	Various agency agreements entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitate the operations of each other.	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Masaki Ogane <sup>1</sup> , Mr. Yasushi Ooka <sup>2</sup> , NYK Group <sup>4</sup> , YLK and YLSG	Sales :102,021 Purchases:66,364
2	Various staff secondment agreements entered into between TASCO and the NYK Group's subsidiaries whereby NYK Group's subsidiaries agree to second and TASCO agrees to engage the expatriate who shall be regarded as a member of TASCO's staff and shall be subject to TASCO's rules and regulations.	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Masaki Ogane <sup>1</sup> , Mr. Yasushi Ooka <sup>2</sup> , NYK Group <sup>4</sup> , YLK and YLSG	282
3	Software agreement entered into between TASCO and the NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Masaki Ogane <sup>1</sup> , Mr. Yasushi Ooka <sup>2</sup> , NYK Group <sup>4</sup> , YLK and YLSG	330
4	Management service agreements entered into between TASCO and the NYK Group's subsidiaries for the provision of business development, sales, marketing and related activities by NYK Group to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Masaki Ogane <sup>1</sup> , Mr. Yasushi Ooka <sup>2</sup> , NYK Group <sup>4</sup> , YLK and YLSG	4,842
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Masaki Ogane <sup>1</sup> , Mr. Yasushi Ooka <sup>2</sup> , NYK Group <sup>4</sup> , YLK and YLSG	75

**Notes:**

1. Mr. Masaki Ogane was seconded to TASCO from YLK and was appointed as Executive Director on 4 April 2014.
2. Mr. Yasushi Ooka was seconded to TASCO from NYK and was appointed as Executive Director on 4 April 2014 and subsequently redesignated to Non-Independent Non-Executive Director on 1 April 2015.
3. NYK denotes Nippon Yusen Kabushiki Kaisha, the ultimate holding company of TASCO.
4. NYK Group denotes NYK's subsidiary companies and affiliates.
5. Mr. Yasushi Ooka and Mr. Masaki Ogane had resigned as Directors of the Company on 1 March 2019 and 1 April 2019.

# 2018/19 EVENTS CALENDAR



**10 APRIL 2018**

TASCO Yusen Gold Cold Sdn Bhd has earned the 2018 Malaysia Cold Chain Logistics Service Provider of the year from Frost & Sullivan



**18-21 JUNE 2018**

TASCO hosted the South Asia & Oceania Region ("SAOR") Extended GSEP Program in our Corporate Head Office



**1 AUGUST 2018**

TASCO hosted the annual SONY – Yusen Regional Meeting in our Corporate Head Office



**20 APRIL 2018**

The Company received a certificate of appreciation from MASKargo for the Company's valuable contribution to the growth of MASKargo through outstanding sales achievement in 2017



**1-3 MAY APRIL 2018**

Visit to TASCO by YLK President, Mr Kenji Mizushima



**8 AUGUST 2018**

TASCO received a Special Award for Long Term Partnership Award from Huawei at their South Pacific Regional Core Partner Convention held at Jakarta, Indonesia



**13 SEPTEMBER 2018**

The Company's 40% owned joint-venture company, YLTC Sdn Bhd entered into a Purchase Contract with Shell Malaysia Trading Sdn Bhd. The Shell Convenience Retail Supply Chain Signing Ceremony was held at Le Meridien Kuala Lumpur



**13 SEPTEMBER 2018**

Our Company convened the 43rd Annual General Meeting in our Corporate Head Office. The shareholders actively participated in the meeting and all resolutions were passed at the meeting



**31 OCTOBER 2018 -**

**11 JANUARY 2019**

Safety Campaign FY2018 launched by Mr Shoji Murakami of SAOR CRO.

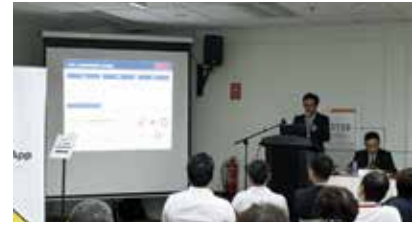


**CALENDAR OF EVENTS SINCE APRIL 2018****2 NOVEMBER 2018**

TASCO received a token of appreciation from Tunku Abdul Rahman University College ("TAR UC") for the contribution to the Faculty of Accountancy, Finance and Business ("FAFB") Appreciation Night 2018 organised in conjunction with TAR UC's Grand 50th Anniversary Celebrations

**29 MARCH 2019**

The Company entered into a Share Subscription Agreement with JOIN for the Proposed Issuance and allotment of 58,878,000 new ordinary shares in TYGC to JOIN for a cash subscription price of RM125.00 million

**10 MAY 2019**

The Company convened an Extraordinary General Meeting to seek shareholders' approval for the Proposed Issuance and Allotment of 58,878,000 new ordinary shares in TYGC to JOIN

**7 DECEMBER 2018**

TASCO has been awarded Business Partner Appreciation award by Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd ("PAPAMY")

**8 APRIL 2019**

TASCO Yusen Gold Cold Sdn Bhd has earned the 2019 Malaysia Cold Chain Logistics Service Provider of the year from Frost & Sullivan

**19 DECEMBER 2018**

TASCO has been awarded Top Cargo Sales Agent 2017/2018 by Thai Airways

**12 APRIL 2019**

The Company received a certificate of appreciation from MASKargo for the Company's valuable contribution to the growth of MASKargo through outstanding sales achievement in 2018

**11 JUNE 2019**

The Company entered into a Shareholders' Agreement with JOIN to mutually cooperate in the conduct of the business and affairs of TYGC. The signing ceremony of the Shareholders' Agreement was held at Marriott Putrajaya.

**15 MARCH 2019**

The Company received an award from Eva Air for Top Cargo Sales Award 2018

**26 APRIL 2019**

The Company received Top Agents Award from Korean Air Cargo in appreciation and recognition of our outstanding sales contribution in 2018

**26 JUNE 2019**

The Company received an award from Singapore Airlines Cargo for Top Agency Sales Award FY2018/2019

# FINANCIAL STATEMENT

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**CORPORATE INFORMATION**

<b>DOMICILE</b>	: Malaysia
<b>LEGAL FORM AND PLACE OF INCORPORATION</b>	: Public company limited by way of shares incorporated in Malaysia under the Companies Act 2016
<b>REGISTERED OFFICE</b>	: 802, 8th Floor Block C, Kelana Square 17 Jalan SS7/26 47301 Petaling Jaya Selangor Darul Ehsan
<b>PRINCIPAL PLACE OF BUSINESS</b>	: Lot No.1A, Persiaran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

**PRINCIPAL ACTIVITIES**

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

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

**RESULTS**

	<b>Group RM</b>	<b>Company RM</b>
Profit for the financial year	13,381,638	2,607,913
Attributable to:		
Owners of the Company	13,063,242	2,607,913
Non-controlling interests	318,396	-
	13,381,638	2,607,913

**DIVIDENDS**

During the financial year, the Company paid:

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

On 30 April 2019, the directors declared a single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of the financial year ended 31 March 2019.

**ISSUE OF SHARES AND DEBENTURES**

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

**SHARE OPTIONS**

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

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the statements of changes in equity set out on pages 82 and 83.

**ULTIMATE HOLDING COMPANY**

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

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

**DIRECTORS**

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

Mr Lee Check Poh	
Mr Raymond Cha Kar Siang	
Mr Kwong Hoi Meng	
Mr Raippan s/o Yagappan @ Raiappan Peter	
Mr Tan Kim Yong	
Mr Lim Jew Kiat	
Mr Lee Wan Kai	
Mr Yasushi Ooka	<i>(Resigned on 1 March 2019)</i>
Mr Masaki Ogane	<i>(Resigned on 1 April 2019)</i>
Datuk Dr Wong Lai Sum	<i>(Appointed on 1 March 2019)</i>
Mr Norihiko Yamada	<i>(Appointed on 1 April 2019)</i>

**DIRECTORS OF SUBSIDIARY COMPANIES**

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

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

**DIRECTORS' INTERESTS IN SHARES**

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

	← ----- No. of ordinary shares ----- →			
	At 1.4.2018	Bought	Sold	At 31.3.2019
<b>The Company</b>				
Mr Lee Check Poh - deemed interest <sup>(1)</sup>	19,660,876	-	-	19,660,876
Mr Tan Kim Yong - direct interest	60,000	-	-	60,000
Mr Lim Jew Kiat - direct interest	120,000	-	-	120,000
Mr Raymond Cha Kar Siang - direct interest	22,000	-	-	22,000
Mr Kwong Hoi Meng - direct interest	22,000	-	-	22,000
Mr Raippan s/o Yagappan @ Raiappan Peter - direct interest	22,000	-	-	22,000
Mr Lee Wan Kai - direct interest	20,000	-	-	20,000
 Subsidiary - Omega Saujana Sdn Bhd				
Mr Lee Check Poh - direct interest	49,000	-	-	49,000
 Subsidiary - Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh - direct interest	49,000	-	-	49,000

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

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

**DIRECTORS' INTERESTS IN SHARES (CONT'D)**

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

**DIRECTORS' BENEFITS**

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

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

Directors remuneration and other benefits are as follows:

	<b>Company RM</b>
Directors' fee	155,000
Other emoluments	3,794,759
Contribution to post-employment benefits	415,936

**INDEMNITY**

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

**OTHER INFORMATION**

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

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

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

- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

**OTHER INFORMATION (CONT'D)**

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

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

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**SIGNIFICANT EVENT PENDING COMPLETION**

Details of significant event pending completion is disclosed in note 45 to the financial statements.

**SUBSEQUENT EVENTS AFTER THE YEAR END**

Details of subsequent events after the year end are disclosed in note 46 to the financial statements.

**AUDITORS**

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

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

**APPROVAL OF THE DIRECTORS' REPORT**

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

**LEE CHECK POH**  
Director

**LIM JEW KIAT**  
Director

Kuala Lumpur

Date: 29 May 2019



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD

(INCORPORATED IN MALAYSIA)

**Report on the Audit of the Financial Statements***Opinion*

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

*Basis for Opinion*

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

*Independence and Other Ethical Responsibilities*

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

*Key Audit Matters*

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

## (a) Impairment of goodwill

*The risk:*

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

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

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

Refer to notes 3(i), 6, and 38(b) to the financial statements.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD**

(INCORPORATED IN MALAYSIA)

*How the matter was addressed in our audit:*

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

**(b) Revenue recognition***The risk:*

The revenue of the Group and of the Company for the financial year ended 31 March 2019 amounted to RM736,801,008 and RM638,315,879 respectively.

The Company is involved in the operation of integrated logistics solutions provider. We have identified revenue recognition as a key audit matter, particularly in respect of the occurrence of services rendered and the appropriateness of the timing of revenue recognition with transactions occurring on or near year-end. Some of the revenue streams of the Group and of the Company depict recognition of revenue over time, based on the progress towards the completion of each performance obligation at the reporting date.

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

The Group's and the Company's disclosures about revenue recognition are included in notes 4(j) and 27 to the financial statements.

*How the matter was addressed in our audit:*

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

**(c) Impairment of trade receivables***The risk:*

As at 31 March 2019, the carrying amounts of the Group's and Company's trade receivables were RM112,335,080 and RM86,950,147 respectively. The collectability of these receivables are assessed on an ongoing basis.

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

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

The key assumption of estimation on allowance for ECL and the Group's credit risk management are disclosed in notes 3(ii) and 42 to the financial statements, and further information related to trade receivables is disclosed in note 10 to the financial statements.

<b>INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD</b>
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(INCORPORATED IN MALAYSIA)
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*How the matter was addressed in our audit:*

To address the matter identified, for those outstanding receivable balances at the reporting date, we checked collections received after year-end, and for uncollected amount we challenged the management's assessment on the recoverability. We have also assessed customers' ageing profile by evaluating the accuracy of aged buckets.

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

*Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

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

*Responsibilities of the Directors for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD**

(INCORPORATED IN MALAYSIA)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD**

(INCORPORATED IN MALAYSIA)

**Report on Other Legal and Regulatory Requirements**

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

**Other Matter**

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

**MAZARS PLT**  
LLP0010622-LCA  
AF 001954  
Chartered Accountants

**FRANCIS XAVIER JOSEPH**  
02997/06/2020 J  
Chartered Accountant

Kuala Lumpur

Date: 29 May 2019



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2019

	<b>Note</b>	<b>2019 RM</b>	<b>2018 RM</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	525,518,352	386,392,662
Goodwill	6	81,864,054	81,864,054
Investment in associated company	8	3,214,853	3,501,762
Investment in a joint venture	9	3,944,172	399,045
Other assets		1,008,204	1,008,204
<b>Total non-current assets</b>		<b>615,549,635</b>	<b>473,165,727</b>
<b>Current assets</b>			
Trade receivables	10	112,335,080	108,936,254
Other receivables, deposits and prepayments	11	21,530,339	63,425,307
Derivative financial assets	12	835,453	1,987,162
Amount owing by immediate holding company	13	3,649,898	4,699,017
Amounts owing by related companies	15	7,444,069	9,636,776
Amount owing by associated company	8	14,800	-
Amount owing by a joint venture	9	3,257,330	-
Current tax assets		12,255,228	5,954,885
Short term investments	16	5,155,077	2,003,325
Fixed deposits with licenced banks	17	16,535,029	43,365,381
Cash and bank balances	18	60,643,606	35,049,475
		243,655,909	275,057,582
Non-current assets classified as held for sale	19	-	172,960
<b>Total current assets</b>		<b>243,655,909</b>	<b>275,230,542</b>
<b>TOTAL ASSETS</b>		<b>859,205,544</b>	<b>748,396,269</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2019

	Note	2019 RM	2018 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	100,801,317	100,801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		(10,941)	(124,007)
Exchange translation reserve		(41,679)	(162,124)
Fair value reserve		(64,999)	-
Retained earnings		269,172,930	260,475,229
Equity attributable to owners of the Company		371,257,219	362,391,006
Non-controlling interests		1,636,706	1,318,310
<b>Total equity</b>		<b>372,893,925</b>	<b>363,709,316</b>
<b>Non-current liabilities</b>			
Hire purchase and finance lease liabilities	21	204,611	2,103,020
Bank term loans	22	289,595,942	200,900,306
Deferred tax liabilities	23	26,352,102	23,951,829
<b>Total non-current liabilities</b>		<b>316,152,655</b>	<b>226,955,155</b>
<b>Current liabilities</b>			
Trade payables	24	48,535,000	38,728,391
Other payables, deposits and accruals	25	32,649,285	38,062,540
Amount owing to immediate holding company	13	1,574,162	1,416,359
Amounts owing to related companies	15	5,285,934	5,528,165
Hire purchase and finance lease liabilities	21	1,127,770	812,106
Bank term loans	22	60,187,112	52,132,432
Revolving credits	26	20,000,000	20,000,000
Current tax liabilities		799,701	1,051,805
<b>Total current liabilities</b>		<b>170,158,964</b>	<b>157,731,798</b>
<b>Total liabilities</b>		<b>486,311,619</b>	<b>384,686,953</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>859,205,544</b>	<b>748,396,269</b>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2019

	<b>Note</b>	<b>2019 RM</b>	<b>2018 RM</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	314,551,133	192,642,840
Investment in subsidiary companies	7	38,429,939	38,429,939
Investment in associated company	8	3,000,000	3,000,000
Investment in a joint venture	9	4,000,000	400,000
Other assets		1,008,204	1,008,204
<b>Total non-current assets</b>		<b>360,989,276</b>	<b>235,480,983</b>
<b>Current assets</b>			
Trade receivables	10	86,950,147	87,543,813
Other receivables, deposits and prepayments	11	17,810,193	43,013,830
Derivative financial assets	12	835,453	1,987,162
Amount owing by immediate holding company	13	3,649,898	4,699,017
Amounts owing by subsidiary companies	14	236,858,716	212,537,156
Amounts owing by related companies	15	7,444,069	9,636,776
Amount owing by associated company	8	14,800	-
Amount owing by a joint venture	9	3,257,330	-
Current tax assets		10,908,767	5,929,953
Fixed deposits with licensed banks	17	12,853,753	39,796,998
Cash and bank balances	18	42,288,271	18,433,952
		<b>422,871,397</b>	<b>423,578,657</b>
Non-current assets classified as held for sale	19	-	172,960
<b>Total current assets</b>		<b>422,871,397</b>	<b>423,751,617</b>
<b>TOTAL ASSETS</b>		<b>783,860,673</b>	<b>659,232,600</b>

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2019

	Note	2019 RM	2018 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	100,801,317	100,801,317
Hedge reserve		(10,941)	(124,007)
Fair value reserve		(64,999)	-
Retained earnings		209,662,445	211,420,073
<b>Total equity</b>		<b>310,387,822</b>	<b>312,097,383</b>
<b>Non-current liabilities</b>			
Bank term loans	22	253,600,000	162,101,165
Deferred tax liability	23	10,498,531	8,320,080
<b>Total non-current liabilities</b>		<b>264,098,531</b>	<b>170,421,245</b>
<b>Current liabilities</b>			
Trade payables	24	40,138,157	33,097,457
Other payables, deposits and accruals	25	29,606,534	31,265,534
Amount owing to immediate holding company	13	1,574,162	1,416,359
Amounts owing to subsidiary companies	14	57,997,805	37,966,940
Amounts owing to related companies	15	5,285,934	5,528,165
Bank term loans	22	54,771,728	46,254,004
Revolving credits	26	20,000,000	20,000,000
Current tax liability		-	1,185,513
<b>Total current liabilities</b>		<b>209,374,320</b>	<b>176,713,972</b>
<b>Total liabilities</b>		<b>473,472,851</b>	<b>347,135,217</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>783,860,673</b>	<b>659,232,600</b>

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 RM	Group 2018 RM	Company 2019 RM	2018 RM
Revenue	27	736,801,008	710,209,335	638,315,879	640,270,126
Cost of sales		(636,166,693)	(587,427,086)	(564,097,030)	(548,315,249)
Gross profit		100,634,315	122,782,249	74,218,849	91,954,877
Other income	28	4,934,090	10,678,705	4,817,383	3,304,527
Administrative and general expenses		(68,137,236)	(81,242,490)	(58,484,431)	(74,190,987)
Profit from operations	29	37,431,169	52,218,464	20,551,801	21,068,417
Finance costs	30	(18,428,618)	(9,993,930)	(16,189,884)	(7,695,377)
Share of results of associated company and joint venture		(341,782)	(221,414)	-	-
Profit before tax		18,660,769	42,003,120	4,361,917	13,373,040
Tax expense	31	(5,279,131)	(12,345,644)	(1,754,004)	(9,354,698)
Profit for the year		13,381,638	29,657,476	2,607,913	4,018,342
Other comprehensive income:					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Exchange difference on translation of foreign operation		120,445	603,939	-	-
Fair value adjustment on cash flow hedge		113,066	723,123	113,066	723,123
Other comprehensive income for the year, net of tax		233,511	1,327,062	113,066	723,123
Total comprehensive income for the year		13,615,149	30,984,538	2,720,979	4,741,465
Profit attributable to:					
Owners of the Company		13,063,242	29,398,501	2,607,913	4,018,342
Non-controlling interests		318,396	258,975	-	-
Profit for the year		13,381,638	29,657,476	2,607,913	4,018,342
Total comprehensive income attributable to:					
Owners of the Company		13,296,753	30,725,563	2,720,979	4,741,465
Non-controlling interests		318,396	258,975	-	-
Total comprehensive income for the year		13,615,149	30,984,538	2,720,979	4,741,465
Basic earnings per share attributable to owners of the Company (sen per share)					
	32	6.53	14.70		

The accompanying notes form an integral part of the financial statements



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

Group	Note	Attributable to owners of the Company									
		Non distributable					Distributable				
		Share capital RM	Share premium RM	Revaluation reserve RM	Hedge reserve RM	Exchange translation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance at 31 March 2017		100,000,000	801,317	1,400,591	(847,130)	(766,063)	-	240,076,728	340,665,443	1,059,335	341,724,778
Total comprehensive income for the year		-	-	-	723,123	603,939	-	29,398,501	30,725,563	258,975	30,984,538
Dividends paid	33	-	-	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)
Transfer pursuant to Companies Act 2016 ("CA 2016")		801,317	(801,317)	-	-	-	-	-	-	-	-
Balance at 31 March 2018		100,801,317	-	1,400,591	(124,007)	(162,124)	-	260,475,229	362,391,006	1,318,310	363,709,316
Cumulative effects of adoption of new MFRSs	47	-	-	-	-	-	(64,999)	634,459	569,460	-	569,460
Balance at 1 April 2018 (restated)		100,801,317	-	1,400,591	(124,007)	(162,124)	(64,999)	261,109,688	362,960,466	1,318,310	364,278,776
Total comprehensive income for the year		-	-	-	113,066	120,445	-	13,063,242	13,296,753	318,396	13,615,149
Dividends paid	33	-	-	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Balance at 31 March 2019		100,801,317	-	1,400,591	(10,941)	(41,679)	(64,999)	269,172,930	371,257,219	1,636,706	372,893,925

The accompanying notes form an integral part of the financial statements

**STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2019

		←	Non distributable			→	Distributable	
	Note	Share capital RM	Share premium RM	Hedge reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM	
<b>Company</b>								
Balance at 31 March 2017		100,000,000	801,317	(847,130)	-	216,401,731	316,355,918	
Total comprehensive income for the year		-	-	723,123	-	4,018,342	4,741,465	
Dividends paid	33	-	-	-	-	(9,000,000)	(9,000,000)	
Transfer pursuant to CA 2016	20	801,317	(801,317)	-	-	-	-	
Balance at 31 March 2018		100,801,317	-	(124,007)	-	211,420,073	312,097,383	
Cumulative effects of adoption of new MFRSs	47	-	-	-	(64,999)	634,459	569,460	
Balance at 1 April 2018 (restated)		100,801,317	-	(124,007)	(64,999)	212,054,532	312,666,843	
Total comprehensive income for the year		-	-	113,066	-	2,607,913	2,720,979	
Dividends paid	33	-	-	-	-	(5,000,000)	(5,000,000)	
Balance at 31 March 2019		100,801,317	-	(10,941)	(64,999)	209,662,445	310,387,822	

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	18,660,769	42,003,120	4,361,917	13,373,040
Adjustments for:				
Allowance for doubtful debts				
- subsidiary company	-	-	-	9,736,756
- third parties	325,277	844,158	-	514,383
Bad debts written off	3,869	-	3,869	-
Allowance for doubtful debts no longer required	(684,561)	(1,726,395)	(390,131)	(1,372,169)
Depreciation of property, plant and equipment	30,330,078	23,411,821	18,814,531	15,941,816
(Gain)/Loss on disposal of property, plant and equipment	(425,857)	(5,591,188)	(186,600)	3,097,332
Gain on disposal of non-current assets classified as held for sale	(507,040)	-	(507,040)	-
Gain on bargain purchase arising from acquisition of a subsidiary	(553,396)	-	-	-
Fair value gain on short term investments	(42,995)	-	-	-
Property, plant and equipment written off	22,800	888,585	-	871,928
Impairment loss on investment in subsidiary company	-	-	-	230,000
Share of results of associated company and joint venture	341,782	221,414	-	-
Interest income	(1,324,905)	(1,428,997)	(2,035,793)	(1,236,475)
Dividend income	(36,600)	(36,600)	(36,600)	(36,600)
Interest expense	18,428,618	9,993,930	16,189,884	7,695,377
Unrealised (gain)/loss on foreign exchange	(649,991)	4,582,157	(576,858)	4,582,157
Operating profit before working capital changes	63,887,848	73,162,005	35,637,179	53,397,545
Changes in inventories	-	125,471	-	-
Changes in receivables	45,235,880	19,716,514	29,864,609	38,377,937
Changes in payables	4,060,301	(36,525,401)	4,729,668	(35,758,220)
Cash generated from operations	113,184,029	56,478,589	70,231,456	56,017,262
Interest received	982,734	1,305,644	869,997	1,236,475
Net tax paid	(10,708,062)	(14,301,969)	(5,996,535)	(10,299,230)
Net cash generated from operating activities	103,458,701	43,482,264	65,104,918	46,954,507

<b>STATEMENTS OF CASH FLOWS</b>
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 RM	Group 2018 RM	2019 RM	Company 2018 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	34	(143,300,822)	(24,631,374)	(140,722,824)	(23,521,813)
Proceeds from disposal of property, plant and equipment		770,710	18,462,140	186,600	488,689
Proceeds from disposal of non-current assets classified as held for sale		680,000	-	680,000	-
Placement in short term investments		(3,108,757)	(2,003,325)	-	-
Deposit paid for acquisition of subsidiary companies		-	(10,000,000)	-	(10,000,000)
Deposit paid for acquisition of leasehold lands	46	(456,600)	-	-	-
Advances to/Investment in a joint venture	9	(5,480,000)	(400,000)	(5,480,000)	(400,000)
Advances to subsidiary companies		-	-	(25,401,222)	(177,263,084)
Advances to associated company		(10,000)	-	(10,000)	-
Interest received		342,171	123,353	1,165,796	-
Dividends received		36,600	36,600	36,600	36,600
Net cash outflow on acquisition of subsidiaries	38	(27,870,768)	(190,566,144)	-	(17,117,374)
Net cash used in investing activities		(178,397,466)	(208,978,750)	(169,545,050)	(227,776,982)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Drawdown of term loans		126,000,000	180,000,000	126,000,000	180,000,000
Drawdown of revolving credits		5,000,000	20,000,000	5,000,000	20,000,000
Repayment of term loans		(27,984,909)	(16,108,763)	(24,718,666)	(14,052,000)
Repayment of revolving credits		(5,000,000)	-	(5,000,000)	-
Repayment of hire purchase and finance lease		(1,582,745)	(1,316,770)	-	-
Advances from subsidiary companies		-	-	20,563,557	2,840,000
Interest paid		(18,428,618)	(9,993,930)	(16,189,884)	(7,695,377)
Dividends paid		(5,000,000)	(9,000,000)	(5,000,000)	(9,000,000)
Net cash generated from financing activities	a	73,003,728	163,580,537	100,655,007	172,092,623

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(1,935,037)	(1,915,949)	(3,785,125)	(8,729,852)
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**CASH AND CASH EQUIVALENTS BROUGHT FORWARD**

78,414,856	81,699,736	58,230,950	68,308,047
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**EFFECT OF EXCHANGE RATE CHANGES**

698,816	(1,368,931)	696,199	(1,347,245)
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**CASH AND CASH EQUIVALENTS CARRIED FORWARD**

77,178,635	78,414,856	55,142,024	58,230,950
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Represented by:

Fixed deposits with licensed banks	16,535,029	43,365,381	12,853,753	39,796,998
Cash and bank balances	60,643,606	35,049,475	42,288,271	18,433,952
	77,178,635	78,414,856	55,142,024	58,230,950

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2019

Note (a):

Reconciliation of liabilities arising from financing activities

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

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

The accompanying notes form an integral part of the financial statements



**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2019

Note (a):

Reconciliation of liabilities arising from financing activities

<b>2018 Group</b>	<b>Term loans RM</b>	<b>Revolving credits RM</b>	<b>Hire purchase and finance lease RM</b>	<b>Total RM</b>
At beginning of financial year	48,406,560	-	-	48,406,560
<i>Cash flows:</i>				
Drawdown of term loans	180,000,000	-	-	180,000,000
Drawdown of revolving credits	-	20,000,000	-	20,000,000
Repayment of term loans	(16,108,763)	-	-	(16,108,763)
Repayment of hire purchase and finance lease	-	-	(1,316,770)	(1,316,770)
Interest paid	(9,564,320)	(315,578)	(114,032)	(9,993,930)
Acquisition of subsidiary companies (Note 38)	46,734,332	-	4,231,896	50,966,228
<i>Non-cash changes:</i>				
Interest expenses	9,564,320	315,578	114,032	9,993,930
Unrealised gain on hedge of term loans	(5,999,391)	-	-	(5,999,391)
At end of financial year	253,032,738	20,000,000	2,915,126	275,947,864

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

The accompanying notes form an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**1. GENERAL INFORMATION**

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The addresses of the principal place of business and registered office of the Company are disclosed on page 67.

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

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

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

**2. BASIS OF PREPARATION**

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

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

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

**(a) Application of new and revised standards**

In the current financial year, the Group and the Company have applied a number of new and revised standards and amendments that become effective mandatorily for the financial periods beginning on or after 1 April 2018.

The adoption of these new and revised standards and amendments does not have significant impact on the financial statements of the Group and of the Company, other than cumulative effects from the initial application of the MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers which are disclosed in note 47 to the financial statements.

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

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

		<b>Effective for financial periods beginning on or after</b>
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**2. BASIS OF PREPARATION (CONT'D)****(b) New or amended standards issued that are not yet effective (Cont'd)**

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

		<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

**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 will result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

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

The Group and the Company have carried out a preliminary assessment of adopting MFRS 16 and the financial effect is as follows:

Impact on statement of financial position at 1 April 2019:

	<b>Group RM</b>	<b>Company RM</b>
Lease liabilities	(16,890,403)	(11,150,824)
Right-of-use assets	16,726,575	11,035,230
Deferred tax assets	39,319	27,743
Retained earnings	124,509	87,851

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**2. BASIS OF PREPARATION (CONT'D)****(b) New or amended standards issued that are not yet effective (Cont'd)***MFRS 16 Leases (Cont'd)*

Impact on statement of comprehensive income for the year ended 1 April 2019:

	<b>Group RM</b>	<b>Company RM</b>
Operating lease rentals	(5,324,063)	(4,402,653)
Depreciation of right-of-use assets	5,087,994	4,229,512
Interest on lease liabilities	399,897	288,735
Tax effects	(39,319)	(27,743)
<b>Impact on profit for the year</b>	<b>124,509</b>	<b>87,851</b>

**Lessor**

The Group and the Company does not expect any significant impact on its financial statements as a lessor in the initial adoption of MFRS 16.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with MFRS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of asset and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

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

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

*Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*(i) Impairment of goodwill*

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)***Key sources of estimation uncertainty (Cont'd)**(i) Impairment of goodwill (Cont'd)*

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

The carrying amount of goodwill as at 31 March 2019 is disclosed in note 6 to the financial statements.

*(ii) Impairment of trade receivables*

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

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

The carrying amount of trade receivables is disclosed in notes 10 and 42 to the financial statements.

*(iii) Depreciation of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be from 5 to 99 years.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amounts of the Group's and Company's property, plant and equipment, as at 31 March 2019 are disclosed in note 5.

*(iv) Income taxes*

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)***Key sources of estimation uncertainty (Cont'd)**(iv) Income taxes (Cont'd)*

The carrying amounts of the Group's and Company's tax assets as at 31 March 2019 were RM12,255,228 and RM10,908,767 (2018: RM5,954,885 and RM5,929,953) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2019 were RM27,151,803 and RM10,498,531 (2018: RM25,003,634 and RM9,505,593) respectively.

**4. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of consolidation**

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

The Company controls an investee if and only if the Company has all the following:

- (i) power over the investee;
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

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

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

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

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

*Changes of Interests in Subsidiaries*

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of consolidation (Cont'd)***Loss of control*

When the Company loses control of a subsidiary:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- (ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between:
  - (a) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and
  - (b) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or MFRS 139, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

**(b) Business combination**

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

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

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

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

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

- (a) The aggregate of:
  - (i) the fair value of consideration transferred;
  - (ii) the amount of any non-controlling interest in the acquiree; and
  - (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Business combination (Cont'd)**

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

**(c) Investment in subsidiaries**

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

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

**(d) Associate and joint venture**

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

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

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

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

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

Premium relating to an associate or a joint venture is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group’s share of the associate’s and joint venture’s profit or loss in the period in which the investment is acquired.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Associate and joint venture (Cont'd)**

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

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

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

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

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

**(e) Property, plant and equipment***(i) Recognition and measurement*

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

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

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

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

*(ii) Depreciation*

Freehold land is not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Property, plant and equipment (Cont'd)***(ii) Depreciation(Cont'd)*

The principal annual rates used for this purpose are:

	%
Freehold building	2
Leasehold building	1 - 3
	or over the remaining period of lease
Leasehold land	Over period of lease
Motor vehicles	14 - 20
Plant and machinery	10 - 20
Office equipment, furniture and fittings	5 - 15
Air conditioners, office renovation and pallets	10

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

**(f) Assets held for sale**

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

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

**(g) Impairment of non-financial assets***(a) Goodwill*

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Impairment of non-financial assets (Cont'd)***(b) Property, plant and equipment, Investments in subsidiaries, associate and joint venture*

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

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

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

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

**(h) Financial instruments**

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

*Financial instruments on and after 1 April 2018*

These accounting policies are applied on and after the initial application date of MFRS 9, (i.e. 1 April 2018).

**Financial assets**

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

*(i) Subsequent Measurement*

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Financial assets (Cont'd)***(ii) Financial Assets at Amortised Cost*

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

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

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

*(iii) Equity instruments designated at FVTOCI*

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

A financial asset is held for trading if:

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

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

*(iv) Financial Assets at FVTPL*

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

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Financial assets (Cont'd)***(iv) Financial Assets at FVTPL (Cont'd)*

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

*(v) Impairment of Financial Assets*

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

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

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

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

*(vi) Derecognition of Financial Assets*

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

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Financial Liabilities and Equity Instruments**

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

**Financial Liabilities**

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

*(i) Financial liabilities at FVTPL*

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

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

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

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

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

*(ii) Financial Liabilities at Amortised Cost*

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

**Effective Interest Method**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Financial Liabilities (Cont'd)***(ii) Financial Liabilities at Amortised Cost (Cont'd)***Financial Guarantee Contracts**

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

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

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

*(iii) Derecognition of Financial Liabilities*

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

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

**Equity Instrument**

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

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

**Derivative Financial Instruments and Hedging**

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)***Financial instruments before 1 April 2018***Financial assets**

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

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

*(i) Loans and receivables*

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

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

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

*(ii) AFS financial assets*

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

Other financial assets categorised as AFS financial assets are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from other comprehensive income into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at FVTPL, are subject to review for impairment.

*(iii) Impairment of financial assets*

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Financial assets (Cont'd)***(iii) Impairment of financial assets (Cont'd)**(a) Assets carried at amortised cost*

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

*(b) AFS financial assets*

An impairment loss in respect of AFS financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised.

Where a decline in the fair value of an AFS financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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

**Financial liabilities**

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

The Group and the Company did not designate any financial liabilities at FVTPL.

*Financial liabilities at amortised cost*

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

**Derecognition of financial assets and financial liabilities**

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.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Financial instruments (Cont'd)****Derecognition of financial assets and financial liabilities (Cont'd)**

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.

**Equity instruments**

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

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

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

**Derivative Financial Instruments and Hedging**

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

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

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

The fair value of forward contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of swap contracts is determined by reference to available market information. Where the quoted market prices are not available, fair values are based on management's best estimate and are arrived by reference to the market prices of another contract that is substantially similar.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedge item or transaction, the hedging instrument, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected to offset the changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

**(i) Provisions**

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

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Revenue and income recognition***Recognition on and after 1 April 2018*

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

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

- (i) Revenue from transportation is recognised over time when customer simultaneously receives and consumes the benefits provided by the Group's performance based on the actual service provided to the end of the reporting period.
- (ii) Revenue from freight forwarding and warehousing are recognised in profit and loss at a point in time once the service has been completed and the Group has an enforceable right to payment for performance completed to date.
- (iii) Truck rental income is recognised on a straight-line basis over the specific tenure of the respective leases.
- (iv) Forwarding agency commission is recognised as and when services are completed.
- (v) Insurance agency commission income is recognised upon the execution or renewal of insurance policies.

Other income are recognised as follow:

- (i) Interest income is recognised on a time proportion basis.
- (ii) Dividend income is recognised when the right to receive payment is established.
- (iii) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

*Recognition before 1 April 2018*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and when the revenue can be reliably measured, on the following bases:

- (i) Revenue from freight forwarding, transportation and warehousing services are recognised in profit or loss as and when services are rendered.
- (ii) Truck rental income is recognised on a straight-line basis over the specific tenure of the respective leases.
- (iii) Forwarding agency commission is recognised as and when services are rendered.
- (iv) Interest income is recognised on a time proportion basis.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Revenue and income recognition (Cont'd)***Recognition before 1 April 2018 (Cont'd)*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and when the revenue can be reliably measured, on the following bases:

- (v) Dividend income is recognised when the right to receive payment is established.
- (vi) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.
- (vii) Insurance agency commission income is recognised upon the execution or renewal of insurance policies.

**(k) Foreign currencies***(i) Transactions and balances in foreign currencies*

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

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

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

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

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

*(ii) Translation of foreign operations*

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

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

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

**(l) Leases**

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(l) Leases (Cont'd)***(i) Finance lease*

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

Property, plant and equipment acquired by way of finance leases are stated at amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the leases, if this is determined; if not the Group's incremental borrowing rate is used.

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

*(ii) Operating lease*

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

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

**(m) Employee benefits***(i) Short-term employee benefits*

Salaries, wages, allowances, bonuses, paid annual leave, paid sick leave and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

*(ii) Post-employment benefits*

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund (the "EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

The Company's foreign subsidiary company makes contributions to its country's statutory pension scheme which are recognised as an expense in profit or loss as incurred.

**(n) Borrowing costs**

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(o) Taxation**

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

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

**(i) Current tax**

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

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

**(ii) Deferred tax**

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

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

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

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

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

**(p) 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.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Segmental reporting**

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available. The management team monitors the financial performance from the Group's perspective and performs regular review to assess the achievability of the performance at end of each reporting period.

Segment revenue and expense, are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue and expense, are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

**(r) Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction 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.  |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

## 5. PROPERTY, PLANT AND EQUIPMENT

Group 2019	Freehold land and buildings RM	Leasehold buildings RM	Leasehold lands RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
<b>Cost</b>								
At 31.3.2018	115,539,917	161,313,065	63,042,189	103,833,591	46,523,422	29,667,802	50,168,204	570,088,190
Acquisition of subsidiaries (note 38(a))	16,271,072	-	-	-	10,187,515	51,363	-	26,509,950
Additions	24,594	47,217,773	70,866,657	11,369,593	1,427,103	5,266,901	7,128,201	143,300,822
Disposals	-	-	-	(2,718,504)	(154,630)	(11,112)	(486,116)	(3,370,362)
Write offs	-	-	-	(415,858)	-	(84,754)	-	(500,612)
Reclassifications	-	(187,059)	187,058	-	(105,137)	(186,514)	291,652	-
Exchange differences	-	-	-	-	-	9,351	8,244	17,595
At 31.3.2019	131,835,583	208,343,779	134,095,904	112,068,822	57,878,273	34,713,037	57,110,185	736,045,583
<b>Accumulated depreciation</b>								
At 31.3.2018	1,650,981	33,228,153	5,787,287	78,646,046	17,839,219	18,837,215	27,706,627	183,695,528
Charge for the year	1,959,281	4,180,059	1,603,788	9,493,695	5,624,358	2,513,627	4,955,270	30,330,078
Disposals	-	-	-	(2,718,501)	(114,177)	(10,871)	(181,960)	(3,025,509)
Write offs	-	-	-	(393,058)	-	(84,754)	-	(477,812)
Reclassifications	17,155	(16,763)	35,662	(536)	(111,670)	92,756	(16,604)	-
Exchange differences	-	-	-	-	-	2,687	2,259	4,946
At 31.3.2019	3,627,417	37,391,449	7,426,737	85,027,646	23,237,730	21,350,660	32,465,592	210,527,231
Net carrying amount								
At 31.3.2019	128,208,166	170,952,330	126,669,167	27,041,176	34,640,543	13,362,377	24,644,593	525,518,352



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

Company 2019	Freehold land and buildings RM	Leasehold buildings RM	Leasehold lands RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
<b>Cost</b>								
At 31.3.2018	3,861,606	112,754,207	43,919,945	89,798,798	18,117,026	28,858,400	49,413,714	346,723,696
Additions	-	47,217,773	70,866,657	10,110,525	482,817	4,916,851	7,128,201	140,722,824
Disposals	-	-	-	(1,012,017)	(113,140)	(3,900)	-	(1,129,057)
Write offs	-	-	-	-	-	(84,754)	-	(84,754)
Reclassifications	-	(187,059)	187,058	-	(105,137)	(186,514)	291,652	-
At 31.3.2019	3,861,606	159,784,921	114,973,660	98,897,306	18,381,566	33,500,083	56,833,567	486,232,709
<b>Accumulated depreciation</b>								
At 31.3.2018	487,478	17,043,103	4,856,966	70,288,528	15,308,177	18,636,787	27,459,817	154,080,856
Charge for the year	54,376	3,022,295	1,285,253	6,306,792	1,095,116	2,201,087	4,849,612	18,814,531
Disposals	-	-	-	(1,012,017)	(113,140)	(3,900)	-	(1,129,057)
Write offs	-	-	-	-	-	(84,754)	-	(84,754)
Reclassifications	17,155	(16,763)	35,662	(536)	(111,670)	92,756	(16,604)	-
At 31.3.2019	559,009	20,048,635	6,177,881	75,582,767	16,178,483	20,841,976	32,292,825	171,681,576
Net carrying amount								
At 31.3.2019	3,302,597	139,736,286	108,795,779	23,314,539	2,203,083	12,658,107	24,540,742	314,551,133

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Net carrying amount:		
- Motor vehicles	1,271,832	1,632,960
- Plant and machinery	749,567	1,805,210
	<b>2,021,399</b>	<b>3,438,170</b>

As of 31 March 2019, the following assets are charged to licensed banks as security for bank term loans, as disclosed in note 22:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Net carrying amount:		
- Freehold land and buildings	73,530,381	74,570,474

**6. GOODWILL**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Goodwill on consolidation	81,864,054	81,864,054

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

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

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

Pre-tax discount rate <sup>(1)</sup>	12.13% (2018: 11.16%)
Revenue growth	
- within next 1 to 4 years	5% (2018: 5%)
- within next 5 to 10 years	3% (2018: 3%)
Terminal growth rate <sup>(2)</sup>	1% (2018: 1%)

<sup>(1)</sup> The pre-tax discount rate is estimated based on the CGU-specific weighted average cost of capital for the financial year.

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

The directors believe that no reasonably possible changes in any of the key assumption would cause the recoverable amount of the CGU to differ materially from its carrying amount as at 31 March 2019.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**7. INVESTMENT IN SUBSIDIARY COMPANIES**

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost		
- in Malaysia	38,429,939	38,429,939
- outside Malaysia	230,000	230,000
	38,659,939	38,659,939
Less: Impairment losses	(230,000)	(230,000)
	38,429,939	38,429,939

Details of the subsidiary companies are as follows:

	<b>Equity interest</b>		<b>Country of incorporation</b>	<b>Principal activities</b>
	<b>2019 %</b>	<b>2018 %</b>		
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental and logistics services
Trans-Asia Shipping Pte Ltd*	100	100	Singapore	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Warehousing
Titian Pelangi Sdn Bhd	100	100	Malaysia	Warehousing
Omega Saujana Sdn Bhd	51	51	Malaysia	Freight forwarding services
Tasco Yusen Gold Cold Sdn Bhd ("TYGC")	100	100	Malaysia	Investment holding
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Freight forwarding services
Meriah Selalu Sdn Bhd	100	100	Malaysia	Operating container depot and providing services of storing, handling, cleaning and repairing of containers

**Subsidiaries of TYGC**

	<b>Equity interest</b>		<b>Country of incorporation</b>	<b>Principal activities</b>
	<b>2019 %</b>	<b>2018 %</b>		
Gold Cold Transport Sdn Bhd	100	100	Malaysia	Transportation, provision of cold room facilities, repackaging and value added facilities services
GC Logistics Sdn Bhd	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services

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**7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)****Subsidiaries of TYGC**

	Equity interest		Country of incorporation	Principal activities
	2019 %	2018 %		
Gold Cold Integrated Logistics Sdn Bhd ( <i>formerly known as MILS Cold Chain Logistics Sdn Bhd</i> )	100	-	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Solutions Sdn Bhd ("GCS") ^	100	-	Malaysia	Providing logistics services, transportation, warehousing distribution and marketing of goods.

\* Audited by a member firm of Mazars in Singapore

^ On 29 March 2019, TYGC subscribed 10 ordinary shares in GCS, representing 100% equity interest for a total cash consideration of RM10.

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

**8. INVESTMENT IN ASSOCIATED COMPANY**

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Unquoted shares, at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of results	214,853	501,762	-	-
	3,214,853	3,501,762	3,000,000	3,000,000

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

	Equity interest		Principal activities
	2019 %	2018 %	
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Letting of property

The financial year end of AESSB is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the audited financial statements of AESSB for the year ended 31 December 2018 have been used.

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

	2019 RM	2018 RM
Group's share of results	(286,909)	(220,459)



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**8. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)**

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

	<b>2019 RM</b>	<b>2018 RM</b>
Non-current assets	8,801,702	9,243,958
Current assets	367,164	287,730
Non-current liabilities	(1,865,575)	(1,859,078)
Current liabilities	(818,454)	(613,954)
<b>Net assets</b>	<b>6,484,837</b>	<b>7,058,656</b>
Revenue	-	141,075
Loss for the year	(573,819)	(440,919)

The amount owing by associated company comprises:

	<b>Group/Company 2019 RM</b>	<b>2018 RM</b>
Non-trade balances	4,800	-
Non-interest bearing advances	10,000	-
	<b>14,800</b>	<b>-</b>

The balances are unsecured and receivable on demand.

**9. INVESTMENT IN A JOINT VENTURE**

	<b>Group</b>		<b>Company</b>	
	<b>2019 RM</b>	<b>2018 RM</b>	<b>2019 RM</b>	<b>2018 RM</b>
Unquoted shares, at cost	400,000	400,000	400,000	400,000
Equity contribution	3,600,000	-	3,600,000	-
Group's share of results	(55,828)	(955)	-	-
	<b>3,944,172</b>	<b>399,045</b>	<b>4,000,000</b>	<b>400,000</b>

During the financial year, the Group has deemed interest free advances amounting to RM3,600,000 to the joint venture as equity contribution from shareholder and thus, do not expect repayment in the next 12 months.

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

	<b>Equity interest</b>		<b>Principal activities</b>
	<b>2019 %</b>	<b>2018 %</b>	
YLTC Sdn Bhd ("YLTC")	40	40	Trading, distribution and logistics

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

The financial year end of YLTC is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the audited financial statements of YLTC for the year ended 31 December 2018 have been used.

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FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>2019 RM</b>	<b>2018 RM</b>
Group's share of results	(54,873)	(955)

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

	<b>2019 RM</b>	<b>2018 RM</b>
Non-current asset	99,932	-
Current assets	25,083,376	1,000,985
Current liabilities	24,286,105	3,373
Net assets	897,203	997,612
Revenue	16,574,219	-
Loss for the year	(137,183)	(2,388)

The amount owing by joint venture comprise:

	<b>Group</b>		<b>Company</b>	
	<b>2019 RM</b>	<b>2018 RM</b>	<b>2019 RM</b>	<b>2018 RM</b>
Trade accounts	1,377,330	-	1,377,330	-
Non-interest bearing advances	1,880,000	-	1,880,000	-
	3,257,330	-	3,257,330	-

The trade accounts are expected to be settled within the normal credit period. The non-interest bearing advances are unsecured and receivable on demand.

**10. TRADE RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2019 RM</b>	<b>2018 RM</b>	<b>2019 RM</b>	<b>2018 RM</b>
Gross trade receivables	113,331,173	109,981,208	87,555,907	88,229,281
Allowance for doubtful debts	(996,093)	(1,044,954)	(605,760)	(685,468)
	112,335,080	108,936,254	86,950,147	87,543,813

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**10. TRADE RECEIVABLES (CONT'D)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	106,559,885	103,134,541	80,793,810	82,137,435
- US Dollar	5,889,153	5,759,737	5,889,153	5,759,737
- Singapore Dollar	147,129	1,086,809	137,938	331,988
- Thai Baht	734,890	-	734,890	-
- Euro	116	121	116	121
	<b>113,331,173</b>	<b>109,981,208</b>	<b>87,555,907</b>	<b>88,229,281</b>

Normal credit terms ranges between 30 to 60 days. For long outstanding customers and related parties, the credit terms may be extended to 90 days based on the discretion of the management.

**11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	7,609,386	29,660,475	6,468,533	11,906,282
Deposits paid for the proposed acquisition of subsidiary companies	-	22,375,250	-	22,375,250
Deposits paid for the proposed acquisition of leasehold industrial land (note 46)	456,600	-	-	-
Deposits	7,073,029	6,300,620	7,159,532	5,308,658
Prepayments	6,274,588	4,192,528	4,182,128	2,554,866
Goods and Services Tax recoverable ("GST")	116,736	896,434	-	868,774
	<b>21,530,339</b>	<b>63,425,307</b>	<b>17,810,193</b>	<b>43,013,830</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	14,667,561	35,169,720	13,628,065	17,214,940
- Singapore Dollar	14,854	791,375	-	-
	<b>14,682,415</b>	<b>35,961,095</b>	<b>13,628,065</b>	<b>17,214,940</b>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**12. DERIVATIVE FINANCIAL ASSETS**

	<b>Group/Company Notional amount RM</b>	<b>Derivative financial assets RM</b>
<b>2019</b>		
Foreign currency swaps	5,227,453	835,453
<b>2018</b>		
Foreign currency swaps	17,031,162	1,987,162

The foreign currency swaps which are designed as cash flow hedges are used to manage the foreign currency exposure arising from the US Dollar bank term loans disclosed in note 22 to the financial statements.

**13. AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY**

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

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

	<b>Group/Company 2019 RM</b>	<b>2018 RM</b>
- RM	1,624,612	2,190,663
- US Dollar	1,835,153	2,269,759
- Singapore Dollar	186,017	238,595
- Japanese Yen	4,116	-
	3,649,898	4,699,017

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

	<b>Group/Company 2019 RM</b>	<b>2018 RM</b>
- RM	28,384	-
- Japanese Yen	1,030,397	1,143,940
- US Dollar	515,381	272,419
	1,574,162	1,416,359

**14. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES**

The amounts owing by subsidiary companies comprise:

	<b>Company 2019 RM</b>	<b>2018 RM</b>
Trade accounts	428,201	1,447,933
Non-interest bearing advances	247,638,576	222,297,284
	248,066,777	223,745,217
Allowance for doubtful debts	(11,208,061)	(11,208,061)
	236,858,716	212,537,156

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
- RM	236,370,108	212,537,156
- Singapore Dollar	11,696,669	11,208,061
	<b>248,066,777</b>	<b>223,745,217</b>

The amounts owing to subsidiary companies comprise:

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Trade accounts	8,451,052	8,983,744
Non-interest bearing advances	49,546,753	28,983,196
	<b>57,997,805</b>	<b>37,966,940</b>

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

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
- RM	57,997,805	37,949,664
- Singapore Dollar	-	17,276
	<b>57,997,805</b>	<b>37,966,940</b>

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

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

**15. AMOUNTS OWING BY/TO RELATED COMPANIES**

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

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	3,673,185	4,260,320	3,673,185	4,260,320
- US Dollar	3,633,848	5,004,056	3,633,848	5,004,056
- Singapore Dollar	34,397	158,594	34,397	158,594
- Thai Baht	17,242	16,344	17,242	16,344
- Euro	85,397	56,834	85,397	56,834
- Australian Dollar	-	139,758	-	139,758
- Hong Kong Dollar	-	870	-	870
	<b>7,444,069</b>	<b>9,636,776</b>	<b>7,444,069</b>	<b>9,636,776</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
RM	133,121	157,341	133,121	157,341
Singapore Dollar	999,099	702,592	999,099	702,592
US Dollar	2,761,607	2,612,949	2,761,607	2,612,949
Thai Baht	95,981	131,601	95,981	131,601
Australian Dollar	28,339	12,350	28,339	12,350
Chinese Yuan Renminbi	328,173	977,591	328,173	977,591
Euro	275,628	228,846	275,628	228,846
Great Britain Pound	136,521	260,921	136,521	260,921
Hong Kong Dollar	252,422	260,529	252,422	260,529
South Korean Won	229,812	107,139	229,812	107,139
New Taiwan Dollar	28,360	60,429	28,360	60,429
Others	16,871	15,877	16,871	15,877
	<b>5,285,934</b>	<b>5,528,165</b>	<b>5,285,934</b>	<b>5,528,165</b>

**16. SHORT TERM INVESTMENTS**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<i>Designated at FVTPL</i>		
Unit Trust funds in Malaysia	5,155,077	2,003,325

**17. FIXED DEPOSITS WITH LICENSED BANKS**

The effective interest rates of the Group's and of the Company's deposits ranged between 2.95% to 3.20% (2018: 2.95% to 3.20%) per annum. All the deposits have maturities of three months or less.

**18. CASH AND BANK BALANCES**

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	33,220,242	25,918,053	15,901,780	9,338,686
- US Dollar	23,266,607	8,640,621	23,266,607	8,640,621
- Singapore Dollar	4,122,329	475,303	3,085,456	439,147
- Thai Baht	34,428	15,498	34,428	15,498
	<b>60,643,606</b>	<b>35,049,475</b>	<b>42,288,271</b>	<b>18,433,952</b>



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**19. NON-CURRENT ASSETS HELD FOR SALE**

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

The sale transaction was completed on 3 August 2018.

**20. SHARE CAPITAL**

	2019		2018	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
At beginning of financial year	200,000,000	100,801,317	200,000,000	100,000,000
Transfer from share premium pursuant to the Companies Act 2016	-	-	-	801,317
At end of financial year	200,000,000	100,801,317	200,000,000	100,801,317

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

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

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

- (a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.
- (b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:
  - (i) shall have attained the age of eighteen (18) years by the Date of Offer;
  - (ii) must fall within such other categories and criteria that the ESOS Committee may decide from time to time at its absolute discretion;
  - (iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.
- (c) The maximum number of options to be offered to each eligible employee shall be at the discretion of the ESOS Committee. In exercising its discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each eligible employee, subject to the following:
  - (i) there should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the ESOS should be allocated, in aggregate, to executive directors and senior management.
  - (ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company.

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**20. SHARE CAPITAL (CONT'D)**

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

- (d) The price at which the grantee is entitled to subscribe for each new share shall be based on five (5) days weighted average market price of the Shares in the Company preceding the Date of Offer, with a discount that does not exceed ten per cent (10%) or at the par value of the shares, whichever is higher.
- (e) All new shares issued pursuant to the exercise of options will upon such allotment and issuance rank in pari passu in all respects with the then existing issued and paid-up shares, save and except that they are not entitled to dividends, rights, allotments and/or other distributions whereby the entitlement date for such dividends, rights, allotments and/or other distributions is prior to the date of allotment of the new shares. The new shares will be subject to all the provisions of the Articles of Association of the Company in relation to transfer, transmission or otherwise.
- (f) The number of shares under option or the exercise price or both, so far as the option remains unexercised, may be adjusted following any variation in the issued share capital of the Company by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital and other variation of capital of the Company.
- (g) The ESOS shall be in force for a period of five (5) years from the effective date subject however to any extension or renewal for a further period of five (5) years if the Board deemed fit, upon the recommendation of the ESOS Committee. Save for any amendments and/or changes to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

**21. HIRE PURCHASE AND FINANCE LEASE LIABILITIES**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Future instalments payable		
- not later than one year	1,138,253	862,720
- later than one year but not later than five years	231,392	2,177,568
Total future instalments payable	1,369,645	3,040,288
Unexpired term charges	(37,264)	(125,162)
Total outstanding principal	1,332,381	2,915,126
Outstanding principal:		
- not later than one year <i>(included under current liabilities)</i>	(1,127,770)	(812,106)
- later than one year but not later than five years <i>(included under non-current liabilities)</i>	204,611	2,103,020

The effective interest rates of hire purchase and finance lease liabilities are ranged between 2.93% to 3.20% (2018: 2.95% to 3.20% ) per annum.

**NOTES TO THE FINANCIAL STATEMENTS**

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**22. BANK TERM LOANS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
The bank term loans are repayable as follows:				
<i>(included under current liabilities)</i>				
- not later than one year	60,187,112	52,132,432	54,771,728	46,254,004
<i>(included under non-current liabilities)</i>				
- later than one year but not later than five years	191,876,920	136,247,998	164,800,000	112,734,286
- more than five years	97,719,022	64,652,308	88,800,000	49,366,879
	289,595,942	200,900,306	253,600,000	162,101,165
	349,783,054	253,032,738	308,371,728	208,355,169

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	344,544,659	235,877,569	303,133,333	191,200,000
- US Dollar	5,238,395	17,155,169	5,238,395	17,155,169
	349,783,054	253,032,738	308,371,728	208,355,169

Bank term loans of the Group amounting to RM41,411,326 (2018: RM44,677,569) are secured by legal charged over the freehold land, buildings and warehouses of a subsidiary company and guarantee by the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

## 22. BANK TERM LOANS (CONT'D)

The details of the bank term loans are as follow:

Principal Amount RM	Monthly Instalment RM	Commencing date	Interest rate per annum	Group		Company	
				2019 RM	2018 RM	2019 RM	2018 RM
6,000,000	100,000	09 July 2013	4.25% fixed rate	-	726,129	-	726,129
10,000,000	183,333	19 May 2014	4.56% fixed rate	811,953	3,339,938	811,953	3,339,938
10,000,000	116,667	10 October 2014	4.61% fixed rate	1,283,718	2,969,926	1,283,718	2,969,926
7,000,000	166,667	07 November 2014	4.61% fixed rate	631,734	2,885,335	631,734	2,885,335
10,000,000	196,000	24 February 2015	4.60% fixed rate	689,877	3,020,282	689,877	3,020,282
2,000,000	35,000	28 April 2015	4.60% fixed rate	372,907	1,043,479	372,907	1,043,479
8,000,000	140,000	28 April 2015	4.60% fixed rate	1,448,206	3,170,080	1,448,206	3,170,080
14,000,000	116,667	29 March 2017	4.88% fixed rate	11,200,000	12,600,000	11,200,000	12,600,000
18,000,000	100,000	20 June 2017	4.93% fixed rate	15,900,000	17,100,000	15,900,000	17,100,000
50,000,000	1,388,889	07 July 2017	4.69% fixed rate	50,000,000	50,000,000	50,000,000	50,000,000
50,000,000	833,333	07 July 2017	4.86% fixed rate	50,000,000	50,000,000	50,000,000	50,000,000
52,000,000	433,333	07 July 2017	4.99% fixed rate	52,000,000	52,000,000	52,000,000	52,000,000
10,000,000	55,556	17 August 2017	4.985% fixed rate	8,833,333	9,500,000	8,833,333	9,500,000
126,000,000	1,200,000	25 May 2018	5.46% fixed rate	115,200,000	-	115,200,000	-
22,000,000	209,912	04 January 2010	BLR – 1.80%	14,621,924	15,895,383	-	-
7,089,000	54,593	01 December 2011	BLR – 2.00%	4,308,726	4,741,893	-	-
12,640,000	97,342	01 December 2011	BLR – 2.00%	9,603,809	10,280,514	-	-
1,500,000	11,522	04 January 2010	BLR – 2.00%	1,150,534	1,229,766	-	-
170,880	1,082	01 December 2015	BLR – 2.00%	154,029	159,389	-	-
166,680	1,056	01 December 2015	BLR – 2.00%	150,243	155,472	-	-
167,280	1,060	01 December 2015	BLR – 2.00%	150,784	156,031	-	-
167,880	1,063	01 December 2015	BLR – 2.00%	151,325	156,598	-	-
169,680	1,075	01 December 2015	BLR – 2.00%	152,947	158,270	-	-
170,280	1,079	01 December 2015	BLR – 2.00%	153,488	158,830	-	-
12,000,000	110,086	01 February 2017	BLR – 2.00%	10,813,517	11,585,423	-	-
				349,783,054	253,032,738	308,371,728	208,355,169

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**23. DEFERRED TAX LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At the beginning of the year	23,951,829	10,400,631	8,320,080	8,843,664
Acquisition of subsidiaries (Note 38)	1,004,486	15,078,224	-	-
Recognised in profit or loss	1,395,787	(1,527,026)	2,178,451	(523,584)
At the end of the year	26,352,102	23,951,829	10,498,531	8,320,080

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Tax effects of:				
- excess of capital allowances over accumulated depreciation on property, plant and equipment	18,001,627	12,796,333	10,837,817	8,652,430
- surplus on revaluation of land and buildings	-	267,942	-	-
- fair value adjustment arising from acquisition of subsidiaries	8,906,677	11,399,855	-	-
- allowance for doubtful debts	(214,395)	(38,922)	(145,383)	-
- unrealised loss on foreign exchange	(193,903)	(332,350)	(193,903)	(332,350)
- other temporary differences	(147,904)	(141,029)	-	-
	26,352,102	23,951,829	10,498,531	8,320,080

**24. TRADE PAYABLES**

The currency exposure profile of trade payables is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
-- RM	47,803,204	38,193,679	39,410,250	32,745,957
- Singapore Dollar	14,598	193,397	10,709	10,185
- Thai Baht	447,901	2,941	447,901	2,941
- US Dollar	249,963	333,286	249,963	333,286
- Japanese Yen	3,285	1,374	3,285	1,374
- Euro	15,813	3,220	15,813	3,220
- New Zealand Dollar	236	494	236	494
	48,535,000	38,728,391	40,138,157	33,097,457

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**25. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sundry payables, deposits and accruals	32,649,285	37,244,437	29,606,534	31,265,534
GST payable	-	818,103	-	-
	32,649,285	38,062,540	29,606,534	31,265,534

The currency exposure profile of other payables, deposits and accruals (excluding GST payable) is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	32,645,396	36,925,458	29,606,534	31,265,534
- Singapore Dollar	3,889	318,979	-	-
	32,649,285	37,244,437	29,606,534	31,265,534

**26. REVOLVING CREDITS**

The revolving credits bear interest rates at 4.21% (2018: 3.95% to 4.20%) per annum. The revolving credits have maturities of one month (2018: one month) and are unsecured.

**27. REVENUE**

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

The information on the disaggregation of revenue is disclosed in note 44 to the financial statements.

**28. OTHER INCOME**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Gross dividends from unquoted investments	36,600	36,600	36,600	36,600
Interest income	1,324,905	1,428,997	2,035,793	1,236,475
Fair value gain on short term investments	42,995	-	-	-
Gain on disposal of property, plant and equipment	425,857	5,591,188	186,600	-
Gain on disposal of non-current asset held for sale	507,040	-	507,040	-
Realised gain on foreign exchange	206,793	-	206,793	-
Unrealised gain on foreign exchange	649,991	-	576,858	-
Operating lease income from land and buildings	63,875	342,131	23,625	342,131
Allowance for doubtful debts no longer required	684,561	1,726,395	390,131	1,372,169
Sundry income	991,473	1,553,394	853,943	317,152
	4,934,090	10,678,705	4,817,383	3,304,527



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**29. PROFIT FROM OPERATIONS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	300,463	232,837	101,850	97,000
- review of quarterly financial statements	69,500	69,500	69,500	69,500
- other assurance service	5,000	5,000	5,000	5,000
Allowance for doubtful debts				
- subsidiary company	-	-	-	9,736,756
- third parties	325,277	844,158	-	514,383
Bad debt written off	3,869	-	3,869	-
Depreciation of property, plant and equipment	30,330,078	23,411,821	18,814,531	15,941,816
Loss on disposal of property, plant and equipment	-	-	-	3,097,332
Legal and professional fees	7,087,102	6,675,658	6,852,478	6,436,112
Impairment loss on investment in subsidiary company	-	-	-	230,000
Operating lease rentals				
- land and buildings	17,588,384	15,220,043	18,768,458	12,992,156
- trucks	15,434,297	12,149,883	11,026,646	5,741,285
- forklifts	4,782,468	2,676,161	3,549,086	2,507,687
- office equipment	2,083,316	890,424	7,555,624	862,033
- office premises	-	483,439	-	483,439
Property, plant and equipment written off	22,800	888,585	-	871,928
Realised loss on foreign exchange	8,451	2,354,278	-	2,318,745
Unrealised loss on foreign exchange	-	4,582,157	-	4,582,157
And crediting:				
Gain on bargain purchase arising from acquisition (note 38(a))	553,396	-	-	-

**30. FINANCE COSTS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Interest expense on:				
- bank term loans	17,500,610	9,564,320	15,377,799	7,379,799
- revolving credits	812,085	315,578	812,085	315,578
- hire purchase and finance lease	115,923	114,032	-	-
	18,428,618	9,993,930	16,189,884	7,695,377

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**31. TAX EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Malaysian tax based on results for the year				
- current	5,466,241	12,150,327	1,449,973	8,536,060
- deferred	958,011	(1,459,070)	1,740,676	(1,043,017)
	6,424,252	10,691,257	3,190,649	7,493,043
Real property gains tax	21,203	427,693	21,203	-
(Over)/Under provision in prior year				
- current	(1,587,468)	1,294,650	(1,895,623)	1,342,222
- deferred	437,776	(67,956)	437,775	519,433
- real property gains tax	(16,632)	-	-	-
	5,279,131	12,345,644	1,754,004	9,354,698

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:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Accounting profit (excluding share of results in associate company and joint venture)	19,002,551	42,224,534	4,361,917	13,373,040
Taxation at applicable statutory tax rate of 24%	4,560,612	10,133,888	1,046,860	3,209,530
Tax effects arising from:				
- non-deductible expenses	1,025,503	2,054,275	2,274,414	4,292,297
- non-taxable income	(2,559,455)	(2,112,080)	(130,625)	(8,784)
Deferred tax benefits not recognised	3,309,137	666,345	-	-
Real property gain tax	21,203	427,693	21,203	-
Effect of different tax rate in another country	88,455	(51,171)	-	-
Under/(Over) provision in prior year	(1,166,324)	1,226,694	(1,457,848)	1,861,655
	5,279,131	12,345,644	1,754,004	9,354,698

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unutilised tax losses	16,907,463	11,696,984	-	-

The unutilised tax losses can be carried forward and available for use for 7 years starting from the year of assessment of 2019.

**32. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to owners of the Company of RM13,063,242 (2018: RM29,398,501) by the number of ordinary shares issued of 200,000,000 (2018: 200,000,000).

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**33. DIVIDENDS**

	2019 RM	2018 RM
<i>In respect of the financial year ended 31 March 2017:</i>		
- Single-tier dividend of 2.50 sen per share	-	5,000,000
<i>In respect of the financial year ended 31 March 2018:</i>		
- Single-tier dividend of 2.00 sen per share	-	4,000,000
- Single-tier dividend of 2.50 sen per share	5,000,000	-
	5,000,000	9,000,000

On 30 April 2019, the directors declared a single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of the financial year ended 31 March 2019.

**34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	<b>Group</b>		<b>Company</b>	
	2019 RM	2018 RM	2019 RM	2018 RM
Aggregate cost of property, plant and equipment acquired (Note 5)	143,300,822	24,137,281	140,722,824	23,027,720
Unpaid balance included under others payables (Note 25)	-	494,093	-	494,093
Total cash paid during the financial year	143,300,822	24,631,374	140,722,824	23,521,813

**35. EMPLOYEE BENEFITS EXPENSE**

	<b>Group</b>		<b>Company</b>	
	2019 RM	2018 RM	2019 RM	2018 RM
Employee benefits expense	132,021,153	125,885,534	72,411,562	73,748,821

Included in the employee benefits expense are EPF contributions amounting to RM9,880,059 (2018: RM10,475,177) for the Group and RM4,296,532 (2018: RM4,642,113) for the Company.

**36. RELATED PARTY DISCLOSURES**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**36. RELATED PARTY DISCLOSURES (CONT'D)**

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

	--- Transaction value --- Group		-- Balance outstanding -- Company	
	2019 RM	2018 RM	2019 RM	2018 RM
<i>Transactions with subsidiary companies</i>				
Rental of trucks paid and payable	431,900	457,640	2,685,013	649,437
Labour charges paid and payable	39,239,123	35,751,350	4,110,321	6,122,798
Rental of premises paid and payables	4,489,955	4,537,462	1,575,312	1,823,114
Maintenance charges paid and payable	76,920	3,584,994	9,990	362,519
Handling fees paid and payable	58,994	1,078,700	-	17,276
Related logistic services paid	489,685	8,240	70,416	8,600
Handling fees received and receivable	60,000	149,288	-	-
Related logistics services received and receivable	3,747,796	5,979,774	134,104	262,203
Rental of trucks received and receivable	2,491,000	1,922,364	294,097	1,185,730
Interest received and receivable	1,165,796	452,502	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**36. RELATED PARTY DISCLOSURES (CONT'D)**

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>								
Related logistic services received and receivable	43,359,037	51,113,535	43,359,037	51,113,535	3,649,898	4,699,017	3,649,898	4,699,017
Related logistic services paid and payable	18,057,100	15,788,780	18,057,100	15,788,780	1,574,162	1,416,359	1,574,162	1,416,359
<i>Transactions with subsidiary companies of the ultimate holding company</i>								
Related logistic services received and receivable	58,662,335	61,007,689	58,662,335	61,007,689	7,444,069	9,636,776	7,444,069	9,636,776
Rental received and receivable	-	315,600	-	315,600	-	-	-	-
Related logistic services paid and payable	48,306,953	69,853,398	48,306,953	69,853,398	5,285,934	5,528,165	5,285,934	5,528,165
Management fee paid and payable	4,842,520	4,423,877	4,842,520	4,423,877	-	-	-	-
IT fees paid and payable	329,611	692,782	329,611	692,782	-	-	-	-
<i>Transactions with associated company</i>								
Rental of premises paid and payable	-	94,050	-	94,050	-	-	-	-
Accounting fee received and receivable	4,800	-	4,800	-	4,800	-	4,800	-
<i>Transaction with joint venture company</i>								
Related logistic services received and receivable	1,430,559	-	1,430,559	-	1,377,330	-	1,377,330	-

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**37. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2019 RM	Group 2018 RM	Company 2019 RM	2018 RM
<i>Directors</i>				
Directors' fee	155,000	355,600	155,000	96,000
Short-term employee benefits - salary, bonus and allowances	3,794,759	2,970,956	3,794,759	2,944,996
Post-employment benefits - EPF	415,936	321,312	415,936	321,312
	4,365,695	3,647,868	4,365,695	3,362,308
<i>Other key management personnel</i>				
Short-term employee benefits - salary, bonus and allowances	4,403,723	3,362,831	3,512,493	3,269,342
Post-employment benefits - EPF	399,709	294,203	283,861	282,984
	4,803,432	3,657,034	3,796,354	3,552,326
Total compensation	9,169,126	7,304,902	8,162,048	6,914,634

**38. ACQUISITIONS OF SUBSIDIARY COMPANIES**(a) Acquisition during the financial year

Gold Cold Integrated Logistics Sdn Bhd ("GCIL") (*formerly known as MILS Cold Chain Logistics Sdn Bhd*)

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

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**38. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)**

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

	<b>GCIL RM</b>
<u>Assets</u>	
Property, plant and equipment	26,509,950
Trade receivables	3,040,167
Other receivables and prepayments	767,223
Current tax assets	1,016
Cash and bank balances	1,254,332
<u>Liabilities</u>	
Trade payables	(298,531)
Other payables and accruals	(591,175)
Loan owing to former holding company	(19,200,000)
Deferred tax liabilities	(1,004,486)
Net assets	10,478,496
Net assets acquired	10,478,496
Gain on bargain purchase arising from acquisition	(553,396)
Purchase consideration	9,925,100

Effects of acquisition on cash flows:

	<b>GCIL RM</b>
Consideration paid in cash	(9,925,100)
Settlement of loan owing to former holding company	(19,200,000)
Cash and cash equivalents of subsidiary companies acquired	1,254,332
Net cash outflow on acquisition	(27,870,768)

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**38. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)****(b) Acquisitions in previous financial year****(i) Gold Cold Transport Group**

On 12 July 2017, a wholly-owned subsidiary of the Company, TYGC, acquired 100% equity interest in Gold Cold Transport Sdn Bhd ("GCT") for a cash consideration of RM185,616,671. Accordingly, GCT became an 100% owned subsidiary of the Group.

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

**(ii) Meriah Selalu Sdn Bhd**

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

**a) Assets acquired and liabilities recognised at the date of acquisition are as follows:**

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

**Effects of acquisition on cash flows:**

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**38. ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)**(b) Acquisitions in previous financial year (Cont'd)

## (ii) Meriah Selalu Sdn Bhd (Cont'd)

## b) Impact of the acquisition to the Group:

	<b>GCT Group RM</b>	<b>Meriah Selalu RM</b>	<b>Total RM</b>
Revenue	61,408,349	922,568	62,330,917
Profit for the year	7,262,801	11,893	7,274,694

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

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

**39. OPERATING LEASE ARRANGEMENT***The Group as lessee*

The Group leases land/buildings and warehouses from its associated company and third parties under cancellable operating lease arrangements. These leases typically run for an initial period of 1 to 2 years with the option to renew. None of the leases include contingent rents. There are no restrictions placed on the Group by entering into these leases.

The Group also leases an office cum warehouse under a non-cancellable operating lease arrangement from third parties with initial period of 2 to 3 years. The future aggregate minimum lease payments under the non-cancellable operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019 RM</b>	<b>2018 RM</b>	<b>2019 RM</b>	<b>2018 RM</b>
Not later than one year	8,080,449	7,111,051	7,330,064	6,360,665
Later than one year but not later than 5 years	8,691,772	9,295,045	6,523,683	7,126,956
	16,772,221	16,406,096	13,853,747	13,487,621

*The Group as lessor*

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**40. OTHER COMMITMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2019 RM</b>	<b>2018 RM</b>	<b>2019 RM</b>	<b>2018 RM</b>
Authorised and contracted for:				
- acquisition of property, plant and equipments	3,455,051	9,842,113	3,455,051	9,842,113
- proposed acquisition of leasehold land (note 46)	25,370,400	-	-	-
- proposed acquisition of subsidiary company	-	121,377,250	-	121,377,250
	<b>28,825,451</b>	<b>131,219,363</b>	<b>3,455,051</b>	<b>131,219,363</b>

**41. FINANCIAL INSTRUMENTS**

## (a) Classification of financial instruments

	<b>2019 RM</b>	<b>2018 RM (Restated)</b>
<b>Group</b>		
<b>Financial assets</b>		
<i>Amortised cost</i>		
Trade receivables	112,335,080	108,936,254
Other receivables *	14,682,415	35,961,095
Amount owing by immediate holding company	3,649,898	4,699,017
Amounts owing by related companies	7,444,069	9,636,776
Amount owing by associated company	14,800	-
Amount owing by a joint venture	1,377,330	-
Fixed deposits with licensed banks	16,535,029	43,365,381
Cash and bank balances	60,643,606	35,049,475
	<b>216,682,227</b>	<b>237,647,998</b>
<i>FVTPL</i>		
Short term investments	5,155,077	2,003,325
<i>FVTOCI</i>		
Other assets – unquoted shares	302,701	302,701
Derivative financial assets	835,453	1,987,162
	<b>1,138,154</b>	<b>2,289,863</b>

\* Excluding prepayments, GST recoverable and deposits paid for the proposed acquisitions of leasehold land and subsidiary companies.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**41. FINANCIAL INSTRUMENTS (CONT'D)**

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

	2019 RM	2018 RM (Restated)
<b>Group</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
Trade payables	48,535,000	38,728,391
Other payables and accruals (excluding GST payable)	32,649,285	37,244,438
Amount owing to immediate holding company	1,574,162	1,416,359
Amounts owing to related companies	5,285,934	5,528,165
Hire purchase and finance lease liabilities	1,332,381	2,915,126
Revolving credits	20,000,000	20,000,000
Bank term loans	349,783,054	253,032,738
	459,159,816	358,865,217
<b>Company</b>		
<b>Financial assets</b>		
<i>Amortised cost</i>		
Trade receivables	86,950,147	87,543,813
Other receivables *	13,628,065	17,214,940
Amount owing by immediate holding company	3,649,898	4,699,017
Amounts owing by subsidiary companies	236,858,716	212,537,156
Amounts owing by related companies	7,444,069	9,636,776
Amount owing by associated company	14,800	-
Amount owing by a joint venture	1,377,330	-
Fixed deposits with licensed banks	12,853,753	39,796,998
Cash and bank balances	42,288,271	18,433,952
	405,065,049	389,862,652
<i>FVTOCI</i>		
Other assets – unquoted shares	302,701	302,701
Derivative financial assets	835,453	1,987,162
	1,138,154	2,289,863

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**41. FINANCIAL INSTRUMENTS (CONT'D)**

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

	2019 RM	2018 RM (Restated)
<b>Company</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
Trade payables	40,138,157	33,097,457
Other payables and accruals (excluding GST payable)	29,606,534	31,265,534
Amount owing to immediate holding company	1,574,162	1,416,359
Amounts owing to subsidiary companies	57,997,805	37,966,940
Amounts owing to related companies	5,285,934	5,528,165
Revolving credits	20,000,000	20,000,000
Bank term loans	308,371,728	208,355,169
	462,974,320	337,629,624

## (b) Fair value of financial instruments

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

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

	<b>Group</b>		<b>Company</b>	
	<b>Carrying amount RM</b>	<b>Fair value RM</b>	<b>Carrying amount RM</b>	<b>Fair value RM</b>
<b>2019</b>				
Hire purchase and finance lease liabilities	1,332,381	1,338,402	-	-
Revolving credits	20,000,000	20,037,486	20,000,000	20,037,486
Bank term loans	349,783,054	352,981,814	308,371,728	311,570,487

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**41. FINANCIAL INSTRUMENTS (CONT'D)****(b) Fair value of financial instruments (Cont'd)**

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

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

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Total RM</b>
<b>Financial assets Group/Company 2019</b>			
Other assets - unquoted shares	-	302,701	302,701
Derivative financial assets	-	835,453	835,453
Short term investments	-	5,155,077	5,155,077
	-	6,293,231	6,293,231
	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Total RM</b>
<b>2018 (Restated)</b>			
Other assets - unquoted shares	-	302,701	302,701
Derivative financial assets	-	1,987,162	1,987,162
Short term investments	-	2,003,325	2,003,325
	-	4,293,188	4,293,188

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

During the financial year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil ).

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of foreign exchange rates.

The Group is exposed to foreign currency risk on sale of services, purchases and borrowings that are denominated in currencies other than the functional currency of the Group. The foreign currencies giving rise to this risk are primarily US Dollar and Singapore Dollar.

The principal amount of the Group's US Dollar loan has been fully hedged using a currency swap contract with a bank. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss.

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

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
US Dollar	4,263,231	3,000,863	4,263,231	3,000,863
Singapore Dollar	395,476	207,868	330,815	51,056

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

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from the Group's fixed deposits and various borrowings.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

At the reporting date, if the interest rate had been 50 basis points lower/higher, with all the other variables held constant, the Group's profit net of tax would have been RM179,980 (2018: RM223,388) higher/lower, arising mainly as a result of lower/higher interest expense/income from floating rate bank term loans. The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

*Credit risk*

Credit risk is the risk of loss that may arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

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

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

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

There has been no change in the estimation techniques or significant assumptions made during the financial year.

During the financial year, the Company provides corporate guarantee for the bank borrowing of a subsidiary company and corporate guarantees to third parties on behalf of joint venture. The Company monitor the results of the subsidiary company and joint venture, and the repayment of borrowings on regular basis. The maximum exposure of the Group and of the Company to credit risk arising from the above guarantees amounting to RM11,700,000 and RM47,695,942 respectively (2018: RM nil and RM44,677,569).

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

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

As at year end, RM9.78 million or 9% (2018: RM11.26 million or 10%) of trade receivables is outstanding from a single debtor.

Management has taken reasonable steps to ensure that receivables that are past due but not impaired are stated at their realisable values. A significant portion of these receivables are regular customers who have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>Group</b>			
31 March 2019			
Not past due	76,612,494	78,551	76,533,943
Less than 30 days past due	29,442,068	83,336	29,358,732
Between 30 and 90 days past due	8,755,834	43,691	8,712,143
	114,810,396	205,578	114,604,818
Credit impaired:			
- more than 90 days past due	9,942,477	273,982	9,668,495
- individually impaired	1,049,597	516,533	533,064
	125,802,470	996,093	124,806,377
<b>Company</b>			
31 March 2019			
Not past due	69,188,005	67,900	69,120,105
Less than 30 days past due	19,445,461	56,748	19,388,713
Between 30 and 90 days past due	5,372,809	26,864	5,345,945
	94,006,275	151,512	93,854,763
Credit impaired:			
- more than 90 days past due	5,638,672	115,966	5,522,706
- individually impaired	810,458	338,282	472,176
	100,455,405	605,760	99,849,645
<b>Group</b>			
1 April 2018			
Not past due	85,571,220	-	85,571,220
Less than 30 days past due	14,732,059	-	14,732,059
Between 30 and 90 days past due	16,326,318	-	16,326,318
	116,629,597	-	116,629,597
Credit impaired:			
- more than 90 days past due	6,627,568	310,423	6,317,145
- individually impaired	1,059,836	1,044,954	14,882
	124,317,001	1,355,377	122,961,624

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>Company</b>			
1 April 2018			
Not past due	81,193,249	-	81,193,249
Less than 30 days past due	10,339,662	-	10,339,662
Between 30 and 90 days past due	6,038,038	-	6,038,038
	97,570,949	-	97,570,949
Credit impaired:			
- more than 90 days past due	5,741,708	310,423	5,431,285
- individually impaired	700,350	685,468	14,882
	104,013,007	995,891	103,017,116

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

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

*Comparative information under MFRS 139 Financial Instruments: Recognition and Measurement*

<b>31.03.2018</b>	<b>Gross RM</b>	<b>Group Impairment RM</b>	<b>Gross RM</b>	<b>Company Impairment RM</b>
Not past due	85,571,220	-	81,193,249	-
Less than 30 days past due	14,732,059	-	10,339,662	-
Between 30 and 90 days past due	16,326,318	-	6,038,038	-
More than 90 days past due	7,687,404	1,044,954	6,442,058	685,468
	124,317,001	1,044,954	104,013,007	685,468

*Receivables that are past due but not impaired*

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)***Receivables that are neither past due nor impaired*

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

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

	<b>Group RM</b>	<b>Company RM</b>
At 1.4.2018	1,044,954	685,468
Effects of adoption of MFRS 9 (note 47)	310,423	310,423
Additions of allowance for doubtful debts	325,277	-
Allowance for doubtful debts no longer required	(684,561)	(390,131)
At 31.3.2019	996,093	605,760
At 1.4.2017	1,608,310	1,543,254
Acquisition of subsidiaries	318,881	-
Additions of allowance for doubtful debts	844,158	514,383
Allowance for doubtful debts no longer required	(1,726,395)	(1,372,169)
At 31.3.2018	1,044,954	685,468

*Liquidity and cash flow risks*

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)***Liquidity and cash flow risks (Cont'd)*

2019	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Company</b>				
Trade payables	40,138,157	-	-	40,138,157
Other payables, deposits and accruals	29,606,534	-	-	29,606,534
Amount owing to immediate holding company	1,574,162	-	-	1,574,162
Amounts owing to subsidiary companies	57,997,805	-	-	57,997,805
Amounts owing to related companies	5,285,934	-	-	5,285,934
Revolving credits	20,037,486	-	-	20,037,486
Bank term loans	57,378,275	172,642,714	93,025,928	323,046,917
Total undiscounted financial liabilities	212,018,353	172,642,714	93,025,928	477,686,995
Financial guarantee contracts *	17,572,533	23,131,952	9,362,379	50,066,864
2018	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>				
Trade payables	38,728,391	-	-	38,728,391
Other payables, deposit and accruals	37,244,438	-	-	37,244,438
Amount owing to immediate holding company	1,416,359	-	-	1,416,359
Amounts owing to related companies	5,528,165	-	-	5,528,165
Hire purchase and finance lease liabilities	862,720	2,177,568	-	3,040,288
Revolving credits	20,034,521	-	-	20,034,521
Bank term loans	54,597,688	142,708,166	67,726,507	265,032,361
Total undiscounted financial liabilities	158,412,282	144,885,734	67,726,507	371,024,523
<b>Company</b>				
Trade payables	33,097,457	-	-	33,097,457
Other payables, deposit and accruals	31,265,534	-	-	31,265,534
Amount owing to immediate holding company	1,416,359	-	-	1,416,359
Amounts owing to subsidiary companies	37,966,940	-	-	37,966,940
Amounts owing to related companies	5,528,165	-	-	5,528,165
Revolving credits	20,034,521	-	-	20,034,521
Bank term loans	48,430,255	118,038,434	51,689,591	218,158,280
Total undiscounted financial liabilities	177,739,231	118,038,434	51,689,591	347,467,256
Financial guarantee contracts*	6,155,008	24,620,032	16,004,609	46,779,649

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**43. CAPITAL MANAGEMENT**

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

The Group actively and regularly reviews and manages its capital structure with a view to optimising the debt and equity balance. The Group monitors capital on the basis of total debt to equity ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, increase borrowings or sell assets to reduce debts.

No changes were made in the objectives, policies or processes during the year.

The Group's total debt-to-equity ratios at 31 March 2019 and 31 March 2018 were as follow:

	<b>2019 RM</b>	<b>2018 RM</b>
Share capital	100,801,317	100,801,317
Reserves	270,455,902	261,589,689
<b>Total equity</b>	<b>371,257,219</b>	<b>362,391,006</b>
Bank term loans	349,783,054	253,032,738
Revolving credits	20,000,000	20,000,000
Hire purchase and finance lease liabilities	1,332,381	2,915,126
<b>Total debt</b>	<b>371,115,435</b>	<b>275,947,864</b>
<b>Total debt to equity ratio (times)</b>	<b>1.00</b>	<b>0.76</b>

**44. SEGMENTAL ANALYSIS****(a) Primary reporting format - business segment**

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

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

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**44. SEGMENTAL ANALYSIS (CONT'D)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**44. SEGMENTAL ANALYSIS (CONT'D)**

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

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

The information on the disaggregation of revenue is not presented for the comparative periods as the Group has applied MFRS 15 using the modified retrospective application.

RM94.19 million or 12.8% (2018: RM125.75 million or 17.6%) of the Group's revenue arising from a single customer.

## (b) Secondary reporting format - geographical segment

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**45. SIGNIFICANT EVENT PENDING COMPLETION**

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

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

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 mater and/or any event (other than a matter and/or an event as expressly stated or contemplated under SSA) which has effect on the earnings or net asset value of TYGC Group in excess of RM12.0 million;
- (iii) TASCO Berhad having procured the relevant approval from its shareholders for the subscription of the Subscription Shares by JOIN in TYGC and all other ancillary transactions contemplated hereunder (“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 issuance and allotment of the Subscription Shares to JOIN in accordance with the applicable laws defined in the SSA.

(collectively referred as, “Conditions Precedent”).

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

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

Barring any unforeseen circumstances and subject to the fulfilment of all Conditions Precedent stated in the SSA, the Proposed Investment from JOIN is expected to be completed within the next financial year.

**46. SUBSEQUENT EVENTS AFTER THE YEAR END**

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**46. SUBSEQUENT EVENTS AFTER THE YEAR END (CONT'D)**

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

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

The SPA is conditional upon (“Conditions Precedent”):

- (i) the Purchasers having obtained at its own costs and expenses, the written approval of the State Authority of Selangor to transfer four (4) of the properties to GCS as these properties are subject to the restrictions in interest.
- (ii) the Purchasers having obtained at its own costs and expenses, the written approval from the State Authority of Selangor for the acquisition of the properties as required under Section 433B of the National Land Code (“S433B Approval”); and
- (iii) the Vendors having, at its own costs and expenses, successfully remove all the existing private caveats entered on five (5) of the properties (“Removal of the Existing Caveats”),

within six (6) months from the date of the SPA or any other period as mutually agreed upon by the parties, provided that if any of the Conditions Precedent is not fulfilled or obtained by the expiry of the said six (6) months period, the Conditions Precedent period shall be automatically extended for a further period of six (6) months.

The SPA shall become unconditional on the date the Purchasers’ solicitors receipt of all the original State Authority Approval, the S433B Approval, and/or the Removal of the Existing Caveats, whichever is latest.

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

**47. ADOPTION OF NEW MALAYSIAN FINANCIAL REPORTING STANDARDS****MFRS 9 Financial Instruments**

In the current year, the Group and the Company applied MFRS 9 for the first time. The Group and the Company opted to apply the standard retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the retained earnings as at 1 April 2018 (date of initial application) according to the transitional provisions. As a result, the financial information presented for financial year ended 31 March 2018 has not been restated and therefore, the changes have been presented in the statements of changes of equity.

The requirements of MFRS 139 Financial Instruments: Recognition and Measurement were applied to financial instruments up to the financial year ended 31 March 2018.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

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 oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses generally.

Key changes to accounting policies of the Group and of the Company and the impact upon adoption of MFRS 9 are summarised below:

- (a) The reclassification of the financial assets according to MFRS 9 did not have significant impact on the Group and the Company, except for the followings:
  - (i) Loans and receivables (including cash and cash equivalents, trade and other receivables (excluding prepayments, GST recoverable and deposits paid for proposed acquisitions of subsidiary companies) as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 April 2019.
  - (ii) Investment in unquoted shares which were previously classified as AFS investments under MFRS 139 are now classified as equity instruments designated at FVTOCI under MFRS 9. Management elected irrevocably to designate these investments at FVTOCI in view of the intention to hold these investments for the foreseeable future rather than for trading purpose. Previously, under MFRS 139, impairment loss on investment in unquoted shares were recognised to profit or loss, and gains or losses accumulated in retained earnings will be recycled to profit or loss on disposal.

An impairment loss recognised in profit or loss of RM64,999 prior to financial year ended 31 March 2018 under MFRS 139 has been transferred to the fair value reserve to ensure that this reserve reflects cumulative gains or losses on such investments since initial recognition.

- (b) The Group and the Company has elected to measure loss allowances for trade receivables using MFRS 9 simplified approach and has calculated ECL based on lifetime ECL as these receivables do not have a significant financing component. ECL are a probability-weighted estimate and are measured based on the difference the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive. The Group and the Company have established provision matrix that is based on the 5 year's historical credit loss experience, where appropriate, adjusted for forward-looking factors specific to the receivables and the economic environment. As the risk profile of each contract with customer likely to be different, management assesses the credit risk of each customer individually based on their financial position and past payment trend.

At 1 April 2018, the Group and the Company reviewed and assessed their existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of MFRS 9.

Loss allowance for other financial assets at amortised cost mainly comprised of cash and cash equivalents, other receivables and amounts owing by subsidiaries are measured on 12 months ECLs basis and there had been no significant increase in credit risk since initial recognition. As such, no additional loss allowance was identified.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

The application of the MFRS 9 hedge accounting requirements has no significant impact on the financial statements of the Group and of the Company as of 1 April 2018.

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 introduces a new five-step 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 resulted in difference in timing of revenue recognition as compared with MFRS 118.

In the current year, the Group and the Company applied MFRS 15 for the first time. The Group and the Company opted to apply the standard retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the retained earnings as at 1 April 2018 (date of initial application) according to the transitional provisions. As a result, the financial information presented for financial year ended 31 March 2018 has not been restated and therefore, the changes have been presented in the statements of changes of equity.

MFRS 15 requires the Group and the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. In addition, the standard requires extensive disclosures.

The Group and the Company have assessed the performance obligations haulage and trucking services are to be satisfied over time because the customers simultaneously receives and consumes the benefits provided by the Group and the Company based on performance obligations completed to date.

Prior to adoption of MFRS 15, the Group and the Company recognised revenue from the above services at the fair value of consideration received or receivables for services upon completion of the services.

Upon the adoption the abovementioned MFRS 9 and MFRS 15, the cumulative adjustments on the Group's and the Company's retained earnings as at 1 April 2018 are as follows:

	RM	RM
<b>Group</b>		
Retained earnings		
As at 1 April 2018		260,475,229
Effects of MFRS 9		
Remeasurement of ECL	(310,423)	
Reclassification of impairment loss from retained earnings to fair value reserves	64,999	(245,424)
Effects of MFRS 15		
Revenue	2,363,506	
Cost of sales	(1,205,765)	
Tax expense	(277,858)	879,883
As at 1 April 2018 (as restated)		261,109,688



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

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

	RM	RM
<b>Company</b>		
Retained earnings As at 1 April 2018		211,420,073
Effects of MFRS 9		
Remeasurement of ECL	(310,423)	
Reclassification of impairment loss from retained earnings to fair value reserves	64,999	(245,424)
Effects of MFRS 15		
Revenue	2,363,506	
Cost of sales	(1,205,765)	
Tax expense	(277,858)	879,883
As at 1 April 2018 (as restated)		212,054,532

The following table shows the adjustments recognised for each affected financial statement line item from the adoption of the new MFRSs and the effect of each financial statement line item should the new MFRSs not be adopted. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	Without adoption of new MFRSs RM	Effect of MFRS 9 RM	Effect of MFRS 15 RM	With adoption of MFRSs RM
<b>Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2019</b>				
Revenue	(736,356,760)	-	(444,248)	(736,801,008)
Cost of sales	636,018,186	-	148,507	636,166,693
Administrative and general expenses	67,811,959	325,277	-	68,137,236
Other income	(4,249,529)	(684,561)	-	(4,934,090)
Tax expense	5,121,925	86,228	70,978	5,279,131
<b>Consolidated Statement of Financial Position as at 31 March 2019</b>				
Trade receivables	109,478,465	48,861	2,807,754	112,335,080
Current tax asset	12,604,364	-	(348,836)	12,255,528
Retained earnings	(268,538,471)	245,424	(879,883)	(269,172,930)
Fair value reserve	-	64,999	-	64,999
Deferred tax liabilities	(26,265,874)	(86,228)	-	(26,352,102)
Trade payable	(47,180,728)	-	(1,354,272)	(48,535,000)

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**48. COMPARATIVES**

The following comparative figures have been reclassified to conform with current year's presentation.

<b>2018</b>	<b>As previously reported RM</b>	<b>Reclassification RM</b>	<b>As restated RM</b>
<b>Group</b>			
Consolidated Statement of Financial Position:			
Short term investments	-	2,003,325	2,003,325
Fixed deposits with licensed banks	45,368,706	(2,003,325)	43,365,381
Consolidated Statement of Comprehensive Income:			
Cost of sales	534,701,663	52,725,423	587,427,086
Administrative and general expenses	133,967,913	(52,725,423)	81,242,490
<b>Company</b>			
Statement of Comprehensive Income:			
Cost of sales	488,060,017	60,255,232	548,315,249
Administrative and general expenses	134,446,219	(60,255,232)	74,190,987

Financial Position of the Group and the Company as at 1 April 2017 was not presented as the reclassifications in above were assessed to be insignificant to each line item on the statements of the financial position of the Group and of the Company.

**49. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue on by the board of directors on 29 May 2019.

**STATEMENT BY DIRECTORS**

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

We, Lee Check Poh and Lim Jew Kiat, being directors of TASCO Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 77 to 156 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2019 and the financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

**LEE CHECK POH**

Director

**LIM JEW KIAT**

Director

Kuala Lumpur

Date: 29 May 2019

**STATUTORY DECLARATION**

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

I, Tan Kim Yong (IC No.: 620120-10-6609), being the director primarily responsible for the financial management of TASCO Berhad do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 77 to 156 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly  
declared by the abovenamed  
Tan Kim Yong  
at Kuala Lumpur  
in the Federal Territory  
this

**TAN KIM YONG**  
Chartered Accountant  
MIA No: 8219

Before me:

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

## LIST OF PROPERTIES

No.	Location	Description	Existing Use	Tenure of land/Date of expiry of lease	Land Area/ Built-up Area (sq. m)	Approximate Age of Properties	Date Acquired	Net Book value 31.03.2019 (RM'000)
1.	West Port Lot No. PT 128571, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 54,807 Built-up - 30,907	12 years	01-Jun-18	132,588
	Lot No. PT 128572, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 35,838		01-Jun-18	
	Lot No. PT 128573, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 17,481		01-Jun-18	
	Lot No. PT 128574, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 20,149 Built-up - 6,771	11 years	01-Jun-18	
	Lot No. PT 128575, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land 13,038 Built-up - 532	12 years	01-Jun-18	
	Lot No. PT 128576, Jalan Perigi Nenas 7/2 Taman Perindustrial Pulau Indah (West Port) 42920 Pelabuhan Klang Selangor	Industrial Land	West Port Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 18,622		01-Jun-18	
2.	Shah Alam No. 1, Jalan Sungai Kayu Ara 32/37 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,841 Built-up - 10,728	5 years	12-Jul-17	107,317
	No. 3, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 5,429	16 years	12-Jul-17	
	No. 4, Jalan Sungai Kayu Ara 32/39 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 4,949	13 years	12-Jul-17	
	No. 5, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,518 Built-up - 10,437	10 years	12-Jul-17	

**LIST OF PROPERTIES**

No.	Location	Description	Existing Use	Tenure of land/Date of expiry of lease	Land Area/ Built up Area (sq. m)	Approximate Age of Properties	Date Acquired	Net Book value 31.03.2019 (RM'000)
3.	Shah Alam Lot No. 1A, Persiran Jubli Perak Jalan 22/1, Seksyen 22, 40300 Shah Alam Selangor.	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre  Warehouse F Warehouse E	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 26,718  Built-up - 16,800 Built-up - 16,800	30 years  7 years 6 years	30-Jun-09	67,771
4.	Port of Tanjung Pelepas Plot D28E, Distripark B Pelepas Free Trade Zone Port of Tanjung Pelepas Johor	Industrial Land	Tanjung Pelepas Logistics Centre	Leasehold 60 years expiring 23.03.2055	Land - 20,233 Built-up - 20,919	4 years	19-Mar-12	35,381
5.	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi Selangor	Industrial Land	Bangi Logistics Centre III Bangi Logistics Centre II	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119 Built-up - 19,584	11 years 8 years	25-May-04	26,549
	Bandar Baru Bangi Lot 46864 (PT 61734), Seksyen 10 43650 Bandar Baru Bangi Selangor	Industrial Land	Access road	Leasehold 99 years expiring 19.08.2098	Land - 450		25-May-04	79
6.	Port Klang Lot 2, Solok Sultan Hishamuddin 10 Kawasan Perindustrian Selat Klang Utara 42000 Port Klang Selangor	Industrial Land	Port Klang Container Depot	Leasehold 60 years expiring 31.01.2062	Land - 24,068 Built-up - 57.6	18 years	02-Feb-18	14,580
7.	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai, Pulau Pinang	Industrial Land	Penang Prai Logistics Centre	Leasehold 99 years expiring 23.10.2110	Land - 20,611 Built-up - 9,282	27 years	18-Jun-08	12,347
8.	Port Klang Lot 22 Lengkungan Sultan Hishamuddin North Klang Straits Industrial Estate Mukim Kapar, Kawasan 20 40000 Port Klang Selangor	Industrial Land	Port Klang Logistics Centre	Leasehold 99 years expiring 09.06.2086	Land - 29,509 Built-up - 17,078	27 years	19-Feb-08	10,363
9.	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas Pulau Pinang	Industrial Land	Penang Air Freight Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	12 years	04-Jun-08	6,432
10.	Alor Gajah Plot 1873 Terminal Kendaraan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre	Leasehold 99 years expiring 08.12.2113	Land - 11,776 Built-up - 2,683	9 years	01-Apr-10	4,679

**ANALYSIS OF SHAREHOLDINGS**

AS AT 28 JUNE 2019

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

**DISTRIBUTION OF SHAREHOLDINGS**

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	29	368	0.00
100 to 1,000 shares	254	167,752	0.08
1,001 to 10,000 shares	1,192	6,085,980	3.04
10,001 to 100,000 shares	546	17,799,500	8.90
100,001 to less than 5% of issued shares	84	75,527,158	37.76
5% and above issued shares	4	100,419,242	50.21
<b>Total</b>	<b>2,109</b>	<b>200,000,000</b>	<b>100.00</b>

**LIST OF 30 LARGEST SHAREHOLDERS**

Name of Shareholders	No. of shares	%
1. Yusen Logistics (Singapore) Pte Ltd	36,460,482	18.23
2. Yusen Logistics Co., Ltd	36,019,636	18.01
3. Yusen Logistics Co., Ltd	14,759,942	7.38
4. Nippon Yusen Kabushiki Kaisha	13,179,182	6.59
5. Nippon Yusen Kabushiki Kaisha	6,000,000	3.00
6. Yusen Logistics (Singapore) Pte Ltd	6,000,000	3.00
7. Yusen Logistics Co., Ltd	6,000,000	3.00
8. Yusen Logistics Co., Ltd	6,000,000	3.00
9. Yusen Logistics (Singapore) Pte Ltd	5,519,882	2.76
10. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For CIMB Islamic Dali Equity Theme Fund	4,272,600	2.14
11. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Real Fortune Portfolio Sdn Bhd (PB)	4,000,000	2.00
12. Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
13. Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
14. Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
15. Real Fortune Portfolio Sdn Bhd	3,660,876	1.83
16. Wong Lok Jee @ Ong Lok Jee	2,380,000	1.19
17. JS Nominees (Tempatan) Sdn Bhd CIMB Bank For Ong Yoong Nyock (MY3272)	1,679,600	0.84
18. Lee Chung Yau	1,000,000	0.50
19. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bakat Impian Sdn Bhd (8124505)	920,000	0.46
20. Yeo Khee Huat	756,000	0.38
21. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	675,900	0.34
22. AMBank (M) Berhad Pledged Securities Account For Ong Yoong Nyock (SMART)	500,000	0.25
23. Ong Ee Nah	500,000	0.25
24. Sow Tiap	448,000	0.22
25. Gan Tee Kian	440,000	0.22

**ANALYSIS OF SHAREHOLDINGS**

AS AT 28 JUNE 2019

**LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)**

<b>Name of Shareholders</b>	<b>No. of shares</b>	<b>%</b>
26. Tan Swee Lian	424,600	0.21
27. Dynaquest Sdn Bhd	420,200	0.21
28. AMSEC Nominees (Tempatan) Sdn Bhd AMBank (M) Berhad For Contrail Sdn Bhd	420,000	0.21
29. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	417,400	0.21
30. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Poh Lee (E-KLG/JTH)	406,700	0.20
<b>Total</b>	<b>165,261,000</b>	<b>82.63</b>

**SUBSTANTIAL SHAREHOLDERS**

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

<b>Name of Substantial Shareholders</b>	<b>Direct Interest</b>	<b>%</b>	<b>Indirect Interest</b>	<b>%</b>
1. Yusen Logistics Co., Ltd.	62,779,578	31.39	47,980,364 <sup>1</sup>	23.99
2. Yusen Logistics (Singapore) Pte Ltd	47,980,364	23.99	-	-
3. Nippon Yusen Kabushiki Kaisha	19,179,182	9.59	110,759,942 <sup>2</sup>	55.38
4. Real Fortune Portfolio Sdn Bhd	19,660,876	9.83	-	-
5. Lee Check Poh	-	-	19,660,876 <sup>3</sup>	9.83

**DIRECTORS' SHAREHOLDINGS**

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

<b>Name of Directors</b>	<b>Direct Interest</b>	<b>%</b>	<b>Indirect Interest</b>	<b>%</b>
1. Lee Check Poh	-	-	19,660,876 <sup>3</sup>	9.83
2. Lim Jew Kiat	120,000	0.06	-	-
3. Tan Kim Yong	60,000	0.03	-	-
4. Kwong Hoi Meng	22,000	0.01	-	-
5. Raymond Cha Kar Siang	22,000	0.01	-	-
6. Raippan s/o Yagappan @ Raiappan Peter	22,000	0.01	-	-
7. Lee Wan Kai	20,000	0.01	-	-

1. Deemed interested by virtue of its equity interest in Yusen Logistics (Singapore) Pte Ltd pursuant to Section 8 of the Act

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

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



<b>SUBSIDIARY AND ASSOCIATED COMPANIES</b>
--

**SUBSIDIARY COMPANIES**

	Country	Group Effective Interest		Principal Activities
		% 31.03.2019	% 31.03.2018	
Baik Sepakat Sdn Bhd	Malaysia	100	100	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	Malaysia	100	100	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	Malaysia	100	100	Truck rental and logistics services
Trans-Asia Shipping Pte Ltd	Singapore	100	100	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	Malaysia	100	100	Trading
Precious Fortunes Sdn Bhd	Malaysia	100	100	Warehousing
Titian Pelangi Sdn Bhd	Malaysia	100	100	Warehousing
TASCO Yusen Gold Cold Sdn Bhd	Malaysia	100	100	Investment holding
Meriah Selalu Sdn Bhd	Malaysia	100	100	Operating container depot and providing services of storing, handling, cleaning and repairing of containers
Omega Saujana Sdn Bhd	Malaysia	51	51	Freight forwarding services
Piala Kristal (M) Sdn Bhd	Malaysia	51	51	Freight forwarding services

**SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD**

Gold Cold Integrated Logistics Sdn Bhd (Formerly known as MILS Cold Chain Logistics Sdn Bhd)	Malaysia	100	-	Transportation cold room storage facilities, repacking and value added facilities services
Gold Cold Solutions Sdn Bhd	Malaysia	100	-	Providing logistics services, transportation, warehousing distribution and marketing of goods
Gold Cold Transport Sdn Bhd	Malaysia	100	100	Transportation, provision of cold room facilities, repackaging and value added facilities services

**SUBSIDIARY AND ASSOCIATED COMPANIES****SUBSIDIARY COMPANIES (CONT'D)**

	Country	Group Effective Interest		Principal Activities
		% 31.03.2019	% 31.03.2018	
<b>SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD (CONT'D)</b>				
GC Logistics Sdn Bhd	Malaysia	100	100	Transportation, cold room storage facilities, repackaging and value added facilities services

**ASSOCIATED COMPANY**

Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Letting of Property
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**JOINT VENTURE COMPANY**

YLTC Sdn Bhd	Malaysia	40	40	Trading, distribution and logistics
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<b>NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING</b>
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**NOTICE IS HEREBY GIVEN THAT** the Forty-Fourth Annual General Meeting of the Company will be held at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan on Thursday, 22 August 2019 at 3.00 p.m. to transact the following businesses:-

**AGENDA**

1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 and the Reports of Directors and Auditors thereon.
2. To approve the payment of the following Directors' remuneration by the Company:
  - (a) To approve the payment of Directors' fees of RM300,000 for the period from 23 August 2019 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*
  - (b) To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 23 August 2019 until the next Annual General Meeting of the Company. *Ordinary Resolution 2*
3. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Constitution:-
  - 3.1 Mr. Lee Check Poh *Ordinary Resolution 3*
  - 3.2 Mr. Raymond Cha Kar Siang *Ordinary Resolution 4*
4. To re-elect the following directors who retire pursuant to Article 83 of the Company's Constitution:-
  - 4.1 Datuk Dr. Wong Lai Sum *Ordinary Resolution 5*
  - 4.2 Mr. Norihiko Yamada *Ordinary Resolution 6*
5. To re-appoint Mazars PLT as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 7*
6. **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

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

**"THAT** subject to the passing of the Resolution 4 above, Mr. Raymond Cha Kar Siang who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."*Ordinary Resolution 8*

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

**"THAT** Mr. Kwong Hoi Meng who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."*Ordinary Resolution 10*

**NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING****7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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

**"THAT** pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 24 July 2019 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

**Ordinary Resolution 11**

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier;

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

**8. AUTHORITY TO ALLOT SHARES**

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

**"THAT** subject always to the Companies Act 2016 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes that the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being."

**Ordinary Resolution 12**

<b>NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING</b>
--

**9. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

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

**“THAT** the new set of the Constitution of the Company in the form and manner as set out in the Appendix A attached herewith be and is hereby approved and adopted as the new Constitution of the Company, in substitution for, and to the exclusion of, the existing Constitution of the Company AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to the adoption of the new Constitution of the Company.”

***Special Resolution 1***

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

BY ORDER OF THE BOARD

**KANG SHEW MENG**  
**SEOW FEI SAN**  
**LOH LAI LING**  
 Secretaries

Petaling Jaya  
 Dated: 24 July 2019

**Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 16 August 2019 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting,
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.
6. Explanatory Notes:

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

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

**NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING**

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

- Ordinary Resolution 1 on payment of Directors' fees for the period from 23 August 2019 until the next AGM of the Company; and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 23 August 2019 until the next AGM of the Company.

The Directors' benefits of the Company which is estimated not to exceed RM20,000 is basically the meeting allowances for Board/Board Committee meetings attended / to be attended for period from 23 August 2019 until the conclusion of the next AGM. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/ Board Committee meetings and/or increase in Board size.

Details of the Directors' fees and benefits paid to the Independent Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2019.

**Ordinary Resolutions 8 to 10**

***Proposed Retention of Independent Non-Executive Directors***

The Proposed Ordinary Resolutions 8 to 10, if passed, will enable Mr. Raymond Cha Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng to continue serving as the Independent Non-Executive Directors of the Company as recommended under Malaysian Code on Corporate Governance ("MCCG").

Their term of office as independent directors is calculated based on the listing date of the Company on 28 December 2007.

An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2019. The Board of Directors has considered the results of the independence assessment of Mr. Raymond Cha Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng, which was undertaken pursuant to the guidelines as set out in the Main Market Listing Requirements of Bursa Securities and MCCG, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Mr. Raymond Cha Kar Siang, Mr. Raippan s/o Yagappan @ Raiappan Peter and Mr. Kwong Hoi Meng should be retained as the Independent Non-Executive Directors of the Company.

**Ordinary Resolution 11**

***Proposed Shareholders' Mandate for Recurrent Transactions***

The proposed Ordinary Resolution 11, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

**Ordinary Resolution 12**

***Authority to Allot Shares***

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

The proposed Ordinary Resolution 12, if passed, will empower the Directors of the Company to allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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

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

**Special Resolution 1**

***Proposed Adoption of New Constitution of the Company***

The proposed Special Resolution 1, if passed, will give full effect to the proposed adoption of new Constitution of the Company by substituting the existing Constitution with the new set of Constitution as set out in the Appendix A attached herewith.

The rationale of the proposed adoption of new Constitution is to ensure continued compliance and to bring the Constitution of the Company in line with the following laws and regulations:-

- (i) Amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29 November 2017; and
- (ii) Companies Act 2016 which came into effect on 31 January 2017.

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# Proxy Form

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



I/We \_\_\_\_\_ NRIC/Co.No. \_\_\_\_\_  
(Please Use Block Capitals)

of \_\_\_\_\_  
(Full Address)

being a member/members of **TASCO BERHAD** hereby appoint \_\_\_\_\_

\_\_\_\_\_ (Full Name)

of \_\_\_\_\_  
(Full Address)

or failing him/her, \_\_\_\_\_  
(Full Name)

of \_\_\_\_\_  
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Forty-Fourth Annual General Meeting of the Company to be held at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Section 22, 40300 Shah Alam, Selangor Darul Ehsan on Thursday, 22 August 2019 at 3.00 p.m. and at any adjournment thereof.

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

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Special Resolution 1		

Dated:

**Number of shares held**

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

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**Notes:-**

1. Only depositors whose names appear in the Record of Depositors as at 16 August 2019 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting,
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

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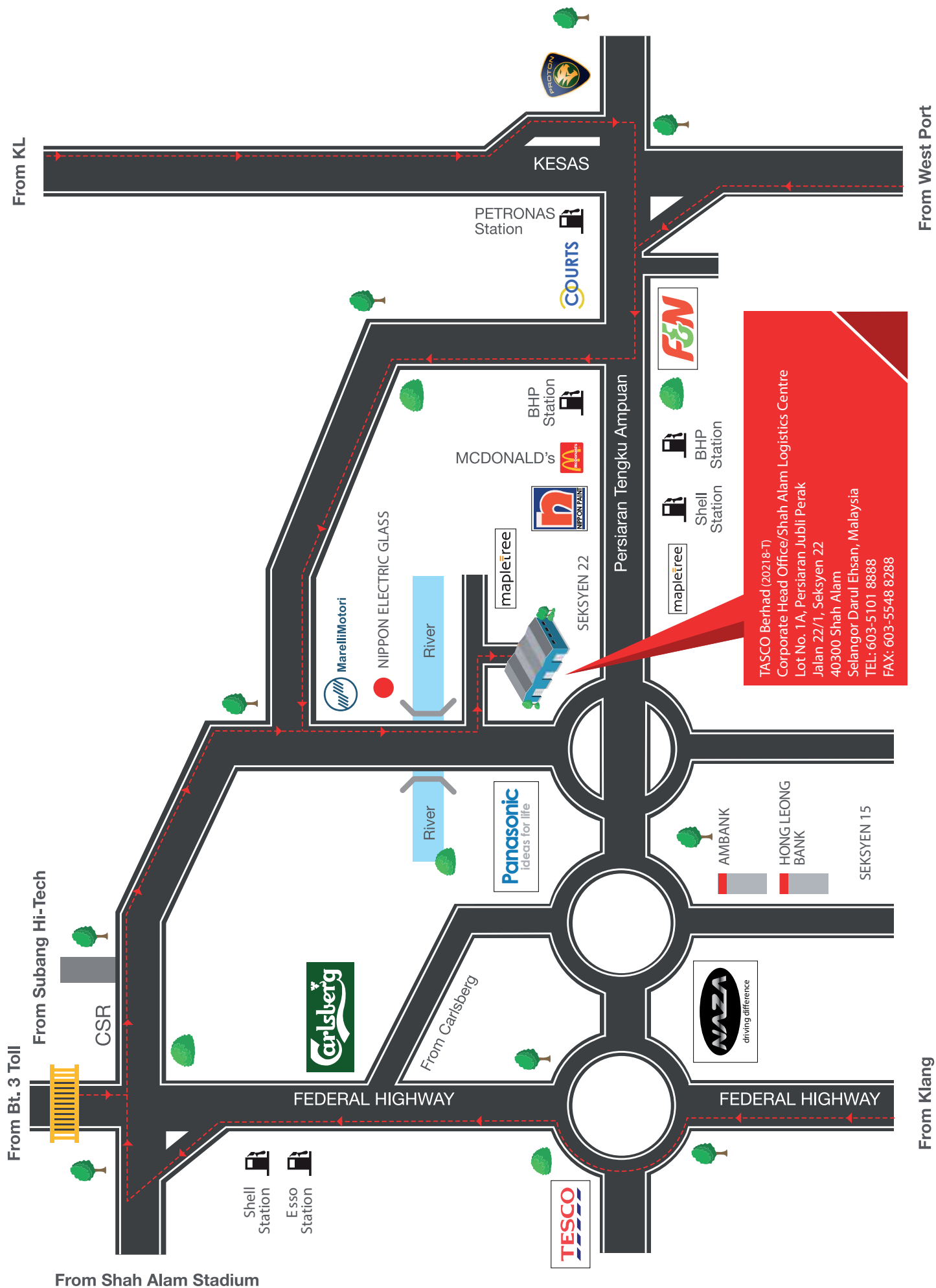
Affix  
Stamp

THE COMPANY SECRETARY

**TASCO Berhad** (20218-T)

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

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[www.tasco.com.my](http://www.tasco.com.my)

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**Tasco Berhad (20218-T)**  
**Lot No. 1A, Persiaran Jubli Perak**  
**Jalan 22/1, Seksyen 22**  
**40300 Shah Alam**  
**Selangor Darul Ehsan, Malaysia**

**Tel : 603 5101 8888**  
**Fax: 603 5548 8288**