Company No.: 20218-T

TASCO BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
31 MARCH 2016

Company No.: 20218-T

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(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS - 31 MARCH 2016

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TASCO BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

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

TASCO BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in business as a total logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 3 to the financial statements.

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

RESULTS

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

DIVIDENDS

During the financial year, the Company paid:

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

- an interim single-tier dividend of 2 sen per ordinary share of RM0.50 each amounting to RM4,000,000 in respect of financial year ended 31 March 2016.

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statements of changes in equity set out on pages 17 and 18.

ISSUE OF SHARES AND DEBENTURES

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

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

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

DIRECTORS

The directors in office since the date of the last report are:

Mr Lee Check Poh

Mr Raymond Cha Kar Siang

Mr Kwong Hoi Meng

Mr Raippan s/o Yagappan @ Raiappan Peter

Mr Tan Kim Yong

Mr Lim Jew Kiat

Mr Lee Wan Kai

Mr Masaki Ogane

Mr Yasushi Ooka

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

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

DIRECTORS' INTERESTS IN SHARES

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

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

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

DIRECTORS' BENEFITS

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

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

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

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

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

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

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

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

(i) any charge on the assets of the Company or its subsidiaries which has arisen since the end of the financial year which secures the liabilities of any other person, or

(ii) any contingent liability of the Company or its subsidiaries which has arisen since the end of the financial year.

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

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

(f) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

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

LEE CHECK POH Director	LIM JEW KIAT Director

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
TASCO BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 79.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors and which is indicated in Note 3 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 38 on page 80 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS
No. AF: 001954
Chartered Accountants

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

Kuala Lumpur

Date: 27 May 2016

TASCO BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	*2*	238,772,986	254,375,593
Investment in associated company	*4*	3,953,884	4,147,719
Other investments	*5*	1,009,204	1,159,104
Total non-current assets		243,736,074	259,682,416
Current assets			
Inventories	*6*	156,353	148,738
Trade receivables	*7*	83,345,680	83,114,096
Other receivables, deposits and prepayments	*8*	16,338,437	16,143,574
Amount owing by immediate holding company	*9*	3,627,301	3,005,268
Amounts owing by related companies	*11*	4,710,501	5,281,172
Amount owing by associated company	*12*	5,088	-
Current tax assets		5,930,086	7,243,936
Fixed deposits with licenced banks	*13*	62,768,460	39,101,118
Cash and bank balances	*14*	29,817,185	17,980,202
Total current assets		206,699,091	172,018,104
TOTAL ASSETS		450,435,165	431,700,520
EQUITY AND LIABILITIES			
Equity			
Share capital	*15*	100,000,000	100,000,000
Share premium		801,317	801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		(613,269)	241,838
Exchange translation reserve		(112,044)	(147,715)
Retained earnings		218,407,853	196,801,272
Equity attributable to owners of the Company		319,884,448	299,097,303
Non-controlling interests		872,159	768,916
Total equity		320,756,607	299,866,219

	Note	2016 RM	2015 RM
Non-current liabilities			
Bank term loans	*16*	29,783,903	37,520,184
Deferred tax liabilities	*17*	8,827,160	8,456,725
Total non-current liabilities		38,611,063	45,976,909
Current liabilities			
Trade payables	*18*	32,043,877	28,450,271
Other payables, deposits and accruals	*19*	30,160,263	29,844,863
Amount owing to immediate holding company	*9*	1,724,280	1,556,413
Amounts owing to related companies	*11*	3,275,503	5,630,730
Amount owing to associated company	*12*	343,778	94,448
Bank term loans	*16*	16,242,615	17,275,191
Current tax liabilities		7,277,179	3,005,476
Total current liabilities		91,067,495	85,857,392
Total liabilities		129,678,558	131,834,301
TOTAL EQUITY AND LIABILITIES		450,435,165	431,700,520

TASCO BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	*2*	191,348,523	206,625,043
Investment in subsidiary companies	*3*	21,542,565	21,542,565
Investment in associated company	*4*	3,000,000	3,000,000
Other investments	*5*	1,009,204	1,159,104
Total non-current assets		216,900,292	232,326,712
Current assets			
Trade receivables	*7*	81,165,032	78,471,605
Other receivables, deposits and prepayments	*8*	14,995,937	14,783,056
Amount owing by immediate holding company	*9*	3,627,301	3,005,268
Amounts owing by subsidiary companies	*10*	45,060,266	38,518,081
Amounts owing by related companies	*11*	4,620,692	5,281,172
Amount owing by associated company	*12*	5,088	-
Current tax asset		5,929,953	7,226,292
Fixed deposits with licensed banks	*13*	62,768,460	39,101,118
Cash and bank balances	*14*	20,437,663	12,497,797
Total current assets		238,610,392	198,884,389
TOTAL ASSETS		455,510,684	431,211,101
EQUITY AND LIABILITIES			
Equity			
Share capital	*15*	100,000,000	100,000,000
Share premium		801,317	801,317
Hedge reserve		(613,269)	241,838
Retained earnings		194,226,967	171,778,906
Total equity		294,415,015	272,822,061

	Note	2016 RM	2015 RM
Non-current liabilities			
Bank term loans	*16*	29,783,903	37,520,184
Deferred tax liability	*17*	7,877,283	7,831,245
Total non-current liabilities		37,661,186	45,351,429
Current liabilities			
Trade payables	*18*	29,261,213	26,058,189
Other payables, deposits and accruals	*19*	28,160,564	24,841,422
Amount owing to immediate holding company	*9*	1,724,280	1,556,413
Amounts owing to subsidiary companies	*10*	37,304,709	37,447,533
Amount owing to related companies	*11*	3,275,503	2,830,729
Amount owing to associated company	*12*	343,778	94,448
Bank term loans	*16*	16,242,615	17,275,191
Current tax liability		7,121,821	2,933,686
Total current liabilities		123,434,483	113,037,611
Total liabilities		161,095,669	158,389,040
TOTAL EQUITY AND LIABILITIES		455,510,684	431,211,101

TASCO BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

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

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Profit attributable to:					
Owners of the Company		30,606,581	30,680,795	31,448,061	29,680,768
Non-controlling interests		103,243	116,887	-	-
Profit for the year		30,709,824	30,797,682	31,448,061	29,680,768
Total comprehensive income attributable to:					
Owners of the Company		29,787,145	30,964,623	30,592,954	29,958,863
Non-controlling interests		103,243	116,887	-	-
Total comprehensive income for the year		29,890,388	31,081,510	30,592,954	29,958,863
Basic earnings per share attributable to owners of the Company (sen per share)	*25*	15.30	15.34		

The accompanying notes form an integral part of the financial statements

TASCO BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

		<---- Attributable to owners of the Company								
			<---- Non distributable			---->	Distributable			
	Note	Share capital RM	Share premium RM	Revaluation reserve RM	Hedge reserve RM	Exchange translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
Balance at 31 March 2014		100,000,000	801,317	1,400,591	(36,257)	(153,448)	175,120,477	277,132,680	652,029	277,784,709
Total comprehensive income for the year		-	-	-	278,095	5,733	30,680,795	30,964,623	116,887	31,081,510
Dividends paid	*26*	-	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)
Balance at 31 March 2015		100,000,000	801,317	1,400,591	241,838	(147,715)	196,801,272	299,097,303	768,916	299,866,219
Total comprehensive income for the year		-	-	-	(855,107)	35,671	30,606,581	29,787,145	103,243	29,890,388
Dividends paid	*26*	-	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)
Balance at 31 March 2016		100,000,000	801,317	1,400,591	(613,269)	(112,044)	218,407,853	319,884,448	872,159	320,756,607

The accompanying notes form an integral part of the financial statements

TASCO BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

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

The accompanying notes form an integral part of the financial statements

TASCO BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

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

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

TASCO BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("the MASB"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

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

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

Fair value measurements are categorised as follows:

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

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

(b) Application of new or revised standards

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

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

(c) Standards issued that are not yet effective

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

		Effective date
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2016
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018

		Effective date
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

MFRS 9, *Financial Instruments*

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

MFRS 16 Leases

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

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

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

(d) Significant accounting estimates and judgements

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

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

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

Key sources of estimation uncertainty

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

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

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be from 5 to 50 years.

The carrying amounts of the Group's and Company's property, plant and equipment as at 31 March 2016 were RM238,772,986 and RM191,348,523 (2015: RM254,375,593 and RM206,625,043) respectively.

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

(ii) *Impairment of loans and receivables*

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

The carrying amounts of the Group's and Company's trade and other receivables as at 31 March 2016 were RM104,356,230 and RM146,076,098 (2015: RM105,251,208 and RM137,987,692), respectively.

The Group and the Company assess at each reporting date whether there is any objective evidence that receivables have been impaired. To determine whether there is objective evidence of impairment, a considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(iii) *Income taxes*

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

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

The carrying amounts of the Group's and Company's tax assets as at 31 March 2016 were RM5,930,086 and RM5,929,953 (2015: RM7,243,936 and RM7,226,292), respectively.

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

(e) Subsidiaries

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

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

(f) Basis of consolidation

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

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

(i) power over the investee;

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

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

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

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

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

Changes of Interests in Subsidiaries

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

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between:

  (a) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and

  (b) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 139 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(g) Business combination

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

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

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

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

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

(a) The aggregate of:

(i) the fair value of consideration transferred;

(ii) the amount of any non-controlling interest in the acquiree; and

(iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

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

(h) Associated company

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

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

The Group's share of net profits or losses and changes recognised directly in the other comprehensive income of the associated companies are recognised in the consolidated income statement and consolidated statement of comprehensive income, respectively.

An investment in an associated company is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Premium relating to an associated company is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment in accordance with the accounting policy set out in (l) (ii) below.

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

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies.

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

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited and/or unaudited financial statements that conform to those used by the Group for like transaction in similar circumstances.

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

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

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

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

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

(i) Financial instruments

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

(i) Initial recognition and measurement

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

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

(ii) Financial instrument categories and subsequent measurement

<u>Financial assets</u>

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

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

Loans and receivables

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

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

AFS financial assets

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

Transferable corporate club memberships and investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

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

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

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

<u>Financial liabilities</u>

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

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

Financial liabilities at amortised cost

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

(iii) Derecognition

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

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

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

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

(iv) Derivative financial instruments and hedging

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

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

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

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

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

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the profit or loss. Amounts taken to other comprehensive income are transferred to the profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from other comprehensive income into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expired or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked.

If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from other comprehensive income into profit or loss.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) *Depreciation*

Freehold land and construction in progress are not depreciated while leasehold land and buildings are amortised on straight-line basis over the remaining period of the lease.

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

The principal annual rates used for this purpose are:

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

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

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost being the cost of purchase, is determined on the first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(l) Impairment

(i) Financial assets

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

Assets carried at amortised cost

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

AFS financial assets

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

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

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

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

(ii) Non-financial assets

Tangible and intangible assets

Tangible and intangible assets are assessed at each reporting date to determine whether there is any indication of impairment.

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

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

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

(m) Equity instruments

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

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

Ordinary shares are classified as equity and are recorded at nominal value. Any proceeds received in excess of the nominal value of the ordinary shares issued are accounted for as share premium.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(o) Income recognition

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

(i) Revenue from freight forwarding, transportation and warehousing services are recognised in profit or loss as and when services are rendered.

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

(iii) Forwarding agency commission is recognised as and when services are rendered.

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

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

(vi) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

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

(p) Foreign currencies

(i) *Transactions and balances in foreign currencies*

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

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

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

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

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

(ii) *Translation of foreign operations*

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

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

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

(q) Leases

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

(i) *Finance lease*

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

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

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

(ii) *Operating lease*

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

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

(r) Employee benefits

(i) *Short-term employee benefits*

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

(ii) *Post-employment benefits*

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund ("the EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

The Company's foreign subsidiary company may make contributions to its country's statutory pension schemes which are recognised as an expense in profit or loss as incurred.

(s) Borrowing costs

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

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

(t) Taxation

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

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

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

(i) goodwill, or

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

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

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

(u) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(v) Operating segment

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment’s results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue and expense, are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue and expense, are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

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

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

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

2. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

3. INVESTMENT IN SUBSIDIARY COMPANIES

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

The Group has assessed the non-controlling interest in the subsidiaries of the Group and has determined that the non-controlling interest are not individually material to the Group's financial position, performance and cash flows.

Details of the subsidiary companies are as follows:

	Equity interest 2016 %	Equity interest 2015 %	Country of incorporation	Principal activities
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental and logistics services

	Equity interest 2016 %	Equity interest 2015 %	Country of incorporation	Principal activities
* Trans-Asia Shipping Pte Ltd	100	100	Singapore	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Warehouse rental
Tasco Express Sdn Bhd	100	100	Malaysia	Dormant
Titian Pelangi Sdn Bhd	100	100	Malaysia	Warehouse rental
Omega Saujana Sdn Bhd	51	51	Malaysia	Freight forwarding services
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Freight forwarding services

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

4. INVESTMENT IN ASSOCIATED COMPANY

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Unquoted shares at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of post-acquisition reserves and retained profits less losses	953,884	1,147,719	-	-
	3,953,884	4,147,719	3,000,000	3,000,000

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

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

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

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

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

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

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

5. OTHER INVESTMENTS

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

6. INVENTORIES

Inventories represent parts and consumables at cost.

7. TRADE RECEIVABLES

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

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

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

Normal credit terms range from 30 to 60 days. For long outstanding customers and related parties, the credit terms may be extended to 90 days based on the discretion of the management.

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

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

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

9. AMOUNT OWING BY/TO IMMEDIATE HOLDING COMPANY

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

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

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

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

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

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

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

10. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

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

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

The amounts owing to subsidiary companies comprise:

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

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

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

11. 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 periods.

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

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

Amount owing to related companies comprise:

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

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

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

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

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

12. AMOUNTS OWING BY/TO ASSOCIATED COMPANY

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

13. FIXED DEPOSITS WITH LICENSED BANKS

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

14. CASH AND BANK BALANCES

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

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

15. SHARE CAPITAL

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

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

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

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

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

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

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

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

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

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

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

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

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

   (ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company. For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an eligible employee" or "persons connected with a director" shall have the same meaning given in relation to persons connected with a director or major shareholder.

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

(e) All new shares issued pursuant to the exercise of options will upon such allotment and issuance rank in pari passu in all respects with the then existing issued and paid-up shares, save and except that they are not entitled to dividends, rights, allotments and/or other distributions whereby the entitlement date for such dividends, rights, allotments and/or other distributions is prior to the date of allotment of the new shares. The new shares will be subject to all the provisions of the Articles of Association of the Company in relation to transfer, transmission or otherwise.

(f) The number of shares under option or the exercise price or both, so far as the option remains unexercised, may be adjusted following any variation in the issued share capital of the Company by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital and other variation of capital of the Company.

(g) The ESOS shall be in force for a period of five (5) years from the effective date subject however to any extension or renewal for a further period of five (5) years if the Board deemed fit, upon the recommendation of the ESOS Committee. Save for any amendments and/or changes to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

16. BANK TERM LOANS

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

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

The details of the bank term loans are as follow:

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

17. DEFERRED TAX LIABILITIES

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

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

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

18. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

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

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

19. OTHER PAYABLES, DEPOSITS AND ACCRUALS

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

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

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

20. REVENUE

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

21. OTHER INCOME

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

22. PROFIT FROM OPERATIONS

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

23. FINANCE COSTS

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

24. TAX EXPENSE

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

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax (excluding share of results of associates) analysed as follows:

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

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

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

The Company is on the single tier income tax system. Accordingly the entire retained earnings of the Company are available for distribution by way of dividends without incurring additional tax liability.

25. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to owners of the Company of RM30,606,581 (2015: RM30,680,795) and a weighted average number of ordinary shares outstanding, calculated as follows:

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

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

26. DIVIDENDS

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

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

28. EMPLOYEE BENEFITS EXPENSE

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

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

29. RELATED PARTY DISCLOSURES

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

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

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

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

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

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

30. KEY MANAGEMENT PERSONNEL COMPENSATION

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

31. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases land/buildings and warehouses from its associated company and third parties under cancellable operating lease arrangements. These leases typically run for an initial period of 1 to 2 years with the option to renew. None of the leases include contingent rents. There are no restrictions placed on the Group by entering into these leases.

The Group also leases an office cum warehouse under a non-cancellable operating lease arrangement with initial period of 2 to 3 years. The future aggregate minimum lease payments under the non-cancellable operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Not later than one year	2,925,240	1,128,600	2,925,240	1,128,600
Later than one year but not later than 5 years	2,357,230	846,450	2,357,230	846,450
	5,282,470	1,975,050	5,282,470	1,975,050

The Group as lessor

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

32. OTHER COMMITMENTS

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

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

2015
Group

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

2016
Group

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

2015
Group

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

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

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

2016 **Company**	At amortised cost RM
Financial liabilities	
<u>Liabilities as per statement of financial position</u>	
Trade payables	29,261,213
Other payables and accruals excluding GST payable	27,148,575
Amounts owing to immediate holding company	1,724,280
Amounts owing to subsidiary companies	37,304,709
Amounts owing to related companies	3,275,503
Amount owing to associated company	343,778
Bank term loans	46,026,518
Total financial liabilities	145,084,576

2015 **Company**	
Financial liabilities	
<u>Liabilities as per statement of financial position</u>	
Trade payables	26,058,189
Other payables and accruals	24,841,422
Amounts owing to immediate holding company	1,556,413
Amounts owing to subsidiary companies	37,447,533
Amounts owing to related companies	2,830,729
Amount owing to associated company	94,448
Bank term loans	54,795,375
Total financial liabilities	147,624,109

(b) Fair value of financial instruments

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

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

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

* It is not practical to estimate the fair value of the unquoted shares and the transferable corporate club memberships due to lack of comparable quoted market prices and inability to estimate fair value without incurring excessive costs. Such investments are valued at cost subject to review of impairment.

The following summarises the methods used in determining the fair value of financial instruments:

<u>Derivatives</u>

Fair values of forward currency contracts and swap contracts have been determined by reference to current forward exchange rates for contracts with similar maturity profiles.

(c) Fair value hierarchy

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

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of foreign exchange rates.

The Group is exposed to foreign currency risk on sale of services, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily Japanese Yen, US Dollar and Singapore Dollar.

The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the reporting date.

The principal amount of the Group's US Dollar loan has been fully hedged using a currency swap contract with a bank. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss.

The currency exposures are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items of the Group as at reporting date. If the US Dollar strengthens or weakens by 5% against the Company's functional currency with all other variables held constant, the Company profit after tax and equity would increase or decrease by RM2,312,437 (2015: RM412,779).

The other foreign currency denominated monetary items as at reporting date are not material, hence the sensitivity analysis has not been presented.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from the Group's fixed deposits, hire purchase and finance lease liabilities and bank borrowings.

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

A sensitivity analysis has been performed based on the outstanding floating rate of borrowings of the Group as at 31 March 2016. If interest rates increase or decrease by 50 basis points, with all other variables held constant, the Group's profit after tax would decrease or increase by approximately RM97,009 (2015: RM86,624), as a result of higher or lower interest expense on these borrowings.

Credit risk

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

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

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

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

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

Apart from a customer of the Company, the Company does not have significant credit risk exposure to any single debtor or any group of debtors. The amount due from the said customer amounted to RM9.84 million (2015: RM15.5 million) or 13% (2015: 20%) of gross trade receivables at the end of the reporting period.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers who have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The ageing analysis of receivables at 31 March which are trade in nature is as follows:

2016	Group Gross RM	Group Impairment RM	Company Gross RM	Company Impairment RM
Not past due	53,967,427	-	53,449,828	-
Less than 30 days past due	14,631,506	-	13,243,415	-
Between 30 and 90 days past due	2,464,704	-	2,209,431	-
More than 90 days past due	15,074,753	2,792,710	15,055,068	2,792,710
	86,138,390	2,792,710	83,957,742	2,792,710

2015	Group Gross RM	Group Impairment RM	Company Gross RM	Company Impairment RM
Not past due	52,507,632	-	48,686,197	-
Less than 30 days past due	5,572,513	-	5,204,792	-
Between 30 and 90 days past due	13,258,407	-	12,805,072	-
More than 90 days past due	14,445,167	2,669,623	14,445,167	2,669,623
	85,783,719	2,669,623	81,141,228	2,669,623

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

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

Liquidity and cash flow risks

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

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

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

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

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

2016	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	32,043,877	-	-	32,043,877
Other payables, deposit and accruals	28,986,598	-	-	28,986,598
Amount owing to immediate holding company	1,724,280	-	-	1,724,280
Amount owing to related companies	3,275,503	-	-	3,275,503
Amount owing to associated company	343,778	-	-	343,778
Bank term loans	16,936,175	30,836,997	-	47,773,172
Total undiscounted financial liabilities	83,310,211	30,836,997	-	114,147,208

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

2015	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	28,450,271	-	-	28,450,271
Other payables, deposit and accruals	29,844,863	-	-	29,844,863
Amount owing to immediate holding company	1,556,413	-	-	1,556,413
Amount owing to related companies	5,630,730	-	-	5,630,730
Amount owing to associated company	94,448	-	-	94,448
Bank term loans	17,275,191	39,900,530	-	57,175,721
Total undiscounted financial liabilities	82,851,916	39,900,530	-	122,752,446

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

35. CAPITAL MANAGEMENT

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

The Group actively and regularly reviews and manages its capital structure with a view to optimising the debt and equity balance. The Group monitors capital on the basis of total debt to equity ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, increase borrowings or sell assets to reduce debts.

No changes were made in the objectives, policies or processes during the period.

The Group's total debt-to-equity ratios at 31 March 2016 and 31 March 2015 were as follow:

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

36. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

(i)	Air Freight Forwarding Division ("AFF")	- Airfreight forwarding
(ii)	Contract Logistics Division ("CLD")	- Customs forwarding, warehousing, container haulage and Auto Logistic services
(iii)	Trucking Division ("TD")	- Trucking
(iv)	Ocean Freight Forwarding Division ("OFF")	- Sea freight forwarding
(i)	Origin Cargo Order and Vendor Management Division ("OCM")	- Buyer consolidation services

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

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

2015	AFF RM	CLD RM	TD RM	OFF RM	OCM RM	Consolidated RM
REVENUE						
External sales	130,930,348	239,192,899	80,030,113	40,553,730	3,598,053	494,305,143
RESULTS						
Segment results	2,191,701	39,983,326	396,494	1,141,450	419,268	44,132,239
Unallocated corporate expense	-	-	-	-	-	(1,938,304)
Profit from operations	-	-	-	-	-	42,193,935
Share of associated company's profits	-	-	-	-	-	617,908
Finance costs	-	-	-	-	-	(1,359,327)
Profit before tax	-	-	-	-	-	41,452,516
Tax expense	-	-	-	-	-	(10,654,834)
Profit for the year	-	-	-	-	-	30,797,682

There is no intersegment sales.

(b) Secondary reporting format - geographical segment

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

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

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

38. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and the Company as at 31 March, into realised and unrealised profits/losses, pursuant to the directive, are as follows:

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

The determination of realised and unrealised profits or losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Accordingly, the unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains or losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be used for any other purposes.

TASCO BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act 1965

In the opinion of the directors, the financial statements set out on pages 11 to 79 have been drawn up:

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

(b) in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 1965.

The information set out in Note 38 on page 80 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

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

LEE CHECK POH
Director

LIM JEW KIAT
Director

TASCO BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act 1965

I, Tan Kim Yong (IC No.: 620120-10-6609), being the director primarily responsible for the financial management of TASCO Berhad, solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements for the year ended 31 March 2016 as set out on pages 11 to 79 are correct.

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

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

BALOO A/L T. PICHAI (No. W 663)
(Commissioner of Oaths)