Quarterly rpt on consolidated results for the financial period ended 30 Jun 2016

TASCO BERHAD

Financial Year End	31 Mar 2017
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Jun 2016
The figures	have not been audited

Attachments

TASCO Quarterly Report 2016-17Q1.pdf
340.7 kB

Default Currency | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	**PRECEDING YEAR CORRESPONDING QUARTER**	**CURRENT YEAR TO DATE**	**PRECEDING YEAR CORRESPONDING PERIOD**
		30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
		$$'000	**$$'000**	**$$'000**	**$$'000**
1	**Revenue**	129,690	118,844	129,690	118,844
2	**Profit/(loss) before tax**	8,148	8,269	8,148	8,269
3	**Profit/(loss) for the period**	6,080	6,123	6,080	6,123
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	6,009	6,087	6,009	6,087
5	**Basic earnings/ (loss) per share (Subunit)**	3.00	3.04	3.00	3.04
6	**Proposed/Declared dividend per share (Subunit)**	0.00	0.00	0.00	0.00

		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7	**Net assets per share attributable to ordinary equity holders of the parent ($$)**	1.6300	1.6000

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	TASCO BERHAD
Stock Name	TASCO
Date Announced	17 Aug 2016
Category	Financial Results
Reference Number	FRA-17082016-00012

TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 June 2016

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30-June-2016

	Quarter and Year-to-Date Ended	
	30.06.2016	**30.06.2015**
	RM'000	**RM'000**
	Unaudited	**Unaudited**
Revenue	129,690	118,844
Cost of sales	(97,417)	(87,745)
Gross profit	**32,273**	**31,099**
Other operating income	444	681
General and administrative expenses	(23,959)	(22,419)
Profit from operations	**8,758**	**9,361**
Share of profits of associated companies	104	158
Finance costs	(714)	(1,250)
Profit before taxation	**8,148**	**8,269**
Tax expense	(2,068)	(2,146)
Profit for the period	**6,080**	**6,123**
Profit Attributable to:		
Owners of the Company	6,009	6,087
Non-Controlling Interest	71	36
	6,080	**6,123**
Earnings per share (sen) - basic	3.00	3.04

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30-June-2016

	Quarter and Year-to-Date Ended	
	30.06.2016	**30.06.2015**
	RM'000	**RM'000**
	Unaudited	**Unaudited**
Profit for the period	**6,080**	**6,123**
Other Comprehensive Income:		
Exchange differences on translation foreign operation	(188)	82
Fair Value adjustment on cash flow hedge	(210)	(925)
Other comprehensive income/(Loss) for the period, net of tax	(398)	(843)
Total Comprehensive Income	**5,682**	**5,280**
Total Comprehensive Income attributable to:		
Owners of the Company	5,611	5,244
Non-Controlling Interest	71	36
	5,682	**5,280**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

T ASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Financial Position As At 30-June-2016

	As at 30.06.2016 RM'000 Unaudited	As at 31.03.2016 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	237,645	238,773
Investment in associated company	4,058	3,954
Other investments	1,079	1,009
Total non-current assets	**242,782**	**243,736**
Current assets		
Inventories	151	156
Trade receivables	84,179	83,346
Other receivables, deposits and prepayments	22,065	16,339
Amount owing by immediate holding company	3,579	3,627
Amounts owing by related companies	4,635	4,711
Amounts owing by associated company	-	5
Current tax asset	5,979	5,930
Fixed deposits with a licensed bank	40,920	62,768
Cash and bank balances	29,785	29,817
Total current assets	**191,293**	**206,699**
TOTAL ASSETS	**434,075**	**450,435**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Financial Position As At 30-June-2016

	As at 30.06.2016 RM'000 Unaudited	As at 31.03.2016 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedge reserve	(823)	(613)
Exchange translation reserve	(300)	(112)
Retained profits	224,417	218,408
Equity attributable to owners of the Company	325,495	319,884
Non-controlling interest	943	872
Total equity	**326,438**	**320,756**
Non-current liabilities		
Long term bank loan	28,133	29,784
Deferred tax liabilities	8,815	8,827
Total non-current liabilities	**36,948**	**38,611**
Current liabilities		
Trade payables	24,791	32,044
Other payables, deposits and accruals	23,729	30,160
Amount owing to immediate holding company	1,508	1,724
Amounts owing to related companies	3,368	3,276
Amounts owing to associated company	543	344
Bank term loan	14,738	16,243
Current tax liabilities	2,012	7,277
Total current liabilities	**70,689**	**91,068**
Total liabilities	**107,637**	**129,679**
TOTAL EQUITY AND LIABILITIES	**434,075**	**450,435**
Net Assets per share (RM)	**1.63**	**1.60**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-June-2016

	A tt ri b u ta b le to Owners of the Company								
	Non-distributable					Distributable			
	Share capital	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 April 2015	100,000	801	1,400	242	(148)	196,801	299,096	769	299,865
Total comprehensive income for the period			-	(925)	82	6,087	5,244	36	5,280
Balance at 30 Jun 2015	**100,000**	**801**	**1,400**	**(683)**	**(66)**	**202,889**	**304,341**	**805**	**305,146**
Balance at 1 April 2016	100,000	801	1,400	(613)	(112)	218,408	319,884	872	320,756
Total comprehensive income for the year				(210)	(188)	6,009	5,611	71	5,682
Balance at 30 June 2016	**100,000**	**801**	**1,400**	**(823)**	**(300)**	**224,417**	**325,495**	**943**	**326,438**

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-June-2016

	Year-To-Date Ended	
	30.06.2016 RM'000 Unaudited	30.06.2015 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,148	8,269
Adjustments for:		
Depreciation	3,890	4,858
Loss on disposal of property, plant and equipment	1	(324)
Share of profits of associated company, net of tax	(104)	(158)
Interest income	(416)	(243)
Interest expense	714	1,250
Operating profit before working capital changes	**12,233**	**13,652**
Net Changes in current assets	(5,981)	6,342
Net Changes in current liabilities	(13,607)	(14,251)
Cash generated (used in) / from operations	(7,355)	5,743
Tax paid	(7,394)	(452)
Net Cash (used in) / generated from operating activities	**(14,749)**	**5,291**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,023)	(1,329)
Proceeds from disposal of property, plant and equipment	260	324
Purchase of other investment	(70)	-
Interest received	416	243
Net cash used in investing activities	**(2,417)**	**(763)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	8,000
Repayment of term loan	(3,813)	(4,263)
Payment of hire purchase and finance lease liabilities	-	(7)
Interest paid	(714)	(1,250)
Net cash (used in) / generated from financing activities	**(4,527)**	**2,480**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(21,693)**	**7,008**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	92,586	57,081
EFFECT OF EXCHANGE RATE CHANGES	(188)	39
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**70,705**	**64,128**
Represented by:		
Fixed deposits with a licensed bank	40,920	41,360
Cash and bank balances	29,785	22,768
	70,705	**64,128**

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attach to the interim financial statements.

Notes to the Interim Financial Report

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for financial derivative which are stated at fair value.

These interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards 134 ("MFRS 134"), Interim Financial Reporting, International Financial Reporting Standard 134 ("IFRS 134"), Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended 31 March 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

A2. Adoption of Standards, Amendments and Annual Improvements to Standards

(a) Application of new or revised standards

In the current period, 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 2016.

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.

(b) 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:

MFRSs, Amendments to MFRSs and IC Interpretation		**Effective Date**
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 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
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, amendments and interpretation are not expect 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.

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

A2. Adoption of Standards, Amendments and Annual Improvements to Standards (Continue)

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.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the Financial year ended 31 March 2016 was not subjected to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations are generally affected by festive seasons.

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows in the current quarter under review.

A6. Changes In Estimates

There were no changes in estimates that have had a material effect in the current quarter under review.

A7. Issuances, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A8. Dividends paid

No interim or final dividends were paid in the current quarter under review.

TASCO Berhad

Company No:20218-T
Incorporated In Malaysia

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

A9. Segmental Reporting

	Segmental Revenue 3 months Ended ended		Segmental Result (PBT) 3 months Ended ended	
	30.06.2016 RM'000	**30.06.2015 RM'000**	**30.06.2016 RM'000**	**30.06.2015 RM'000**
International Business Solutions				
Air Freight Forwarding Division	33,608	34,135	594	1,408
Ocean Freight Forwarding Division	19,655	11,492	1,354	670
	53,263	**45,627**	**1,948**	**2,078**
Domestic Business Solutions				
Contract Logistics Division	56,664	52,734	6,636	5,678
Trucking Division	19,763	20,483	(889)	(261)
	76,427	**73,217**	**5,747**	**5,417**
Others	-	-	453	774
Total	**129,690**	**118,844**	**8,148**	**8,269**

A10. Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment.

A11. Subsequent Events

There was no material event subsequent to the end of the current quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

A13. Contingent Assets and Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

A14. Capital Commitment

	As at 30.06.2016 RM'000	**As at 30.06.2015 RM'000**
Authorised and contracted for		
- acquisition of property, plant and equipment	4,731	2,760

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

A15. Related Party Disclosures

	3 months ended	
	30.06.2016	**30.06.2015**
	RM'000	**RM'000**
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	129	132
Labour charges paid and payble to subsidiary companies	6,592	5,836
Maintenance charges paid and payable to a subsidiary company	1,700	1,498
Handling fees paid and payable to a subsidiary company	410	146
Handling fees received and receivable from a subsidiary company	22	53
Related logistic services received and receivable from a subsidiary company	749	1,027
Rental of premises paid and payable to a subsidiary company	1,134	-
Rental of trucks received and receivable from subsidiary company	934	864
	=============	=============
Transaction with immediate holding company		
Related logistic services received and receivable	8,839	8,624
Related logistic services paid and payable	3,386	2,606
Transaction with related companies		
Related logistic services received and receivable	9,203	10,154
Related logistic services paid and payable	12,054	12,172
Management fee paid and payable	945	850
Consultancy fees paid and payable	126	157
Rental received	75	75
	=============	=============
Transaction with associated company		
Rental of premises paid	282	282
Accounting fee received from an associated company	5	5
	=============	=============

Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

B1. Performance Review : Year-to-date April 2016-June 2016 vs Year-to-date April 2015-June 2015

The Group achieved revenue of RM129.7 million for the financial period ended ("FPE") 30 June 2016 as against RM118.8 million a year earlier, an increase of RM10.9 million (9.1 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions (IBS) was up by RM7.6 million (16.7 per cent) whereas Domestics Business Solutions (DBS) segment also showed an increase in revenue of RM3.2 million (4.4 per cent) y-o-y respectively.

In the IBS segment, Air Freight Forwarding ("AFF") division posted a decrease of RM0.5 million (1.5 per cent). Higher AFF revenue posted in last comparative quarter was attributed to export shipment surge of ad-hoc urgent export shipments for major electronic & solar panel manufacturing customers as well as project cargo of garment exportation to Japan. For Ocean Freight Forwarding ("OFF") division, export shipments of a solar panel customer drove revenue of OFF division to hike by an increase of RM8.2 million (71.0 per cent). As for the DBS, Contract Logistics ("CL") posted an increase of RM3.9 million (7.4 per cent) whereas Trucking division showed a decrease of RM0.7 million (3.5 per cent). Within CL business, increased shipments & volume contribution from existing major customers resulted in Custom Clearance and Haulage businesses to record increases in revenue of RM4.4 million (27.7 per cent) and RM1.2 million (15.5 per cent) respectively. However, warehouse and in-plant businesses experienced revenue reduction by RM1.4 million (6.0 per cent) and RM0.1 million (3.3 per cent) respectively as a result of slow down in warehousing & production activities of major customers. Trucking division recorded lower revenue by RM0.7 million (3.5 per cent), largely as a result of decrease in inbound cross border business from Thailand. Revenue from cross border business reduced by approximately RM1.9m but the drop was somewhat offset by newly secured FMCG & tele-communication businesses both in Penisular & East Malaysia.

Profit before taxation ("PBT") for the year-to-date ended 30 June 2016 decreased to RM8.1 million from RM8.3 million, a decrease of RM0.1 million (1.5 per cent), while profit for the period to-date went down marginally from RM6.1 million to RM6.0 million (0.7 per cent) y-o-y. IBS segment posted a decrease in PBT of RM0.1 million (6.2 per cent) from RM2.0 million to RM1.9 million. On the other hand, DBS segment reported an increase of PBT by RM0.3 million (6.1 per cent), increased from RM5.4 million to RM5.7 million. As for IBS business, drop in revenue coupled with change in commission scheme resulted in higher operating costs to AFF business, resulting in lower PBT by RM0.8 million (57.8 per cent). On the other hand, strong volume support from a solar panel customer boosted PBT of OFF business from RM0.7 million to RM1.3 million (102.2 per cent). As for DBS segment, CL business reported a PBT increase of RM0.9 million (16.9 per cent), from RM5.7 million to RM6.6 million. However, it was offset by increase in loss before tax of RM0.6 million (239.9 per cent) in Trucking division. The higher loss of Trucking was caused by a drop in sales as well as increased operating cost of cross border shipments resulted from weakened ringgit. CL business's better PBT was due to better performances in custom clearance, haulage and warehouse businesses, which posted increases in PBT by RM0.3 million (33.7 per cent), RM0.6 million (59.8 per cent) and RM0.08 million (3.6 per cent) respectively.

B2. Comparison with Preceding Quarter's Results: April 2016 to June 2016 vs January 2016 to March 2016

The Group's revenue of the first quarter ended 30 June 2016 ("1QFY2017") was registered at RM129.7 million, as against revenue of RM125.2 million of the preceding quarter ended 31 March 2016. This represents an increase of RM4.4 million (3.5 per cent). IBS segment posted a decrease of RM1.2 million (2.1 per cent), while DBS segment recorded better sales result by RM5.6 million (7.9 per cent) as against preceding quarter.

Within the IBS segment, drop in hand-carry shipments and switching from air freight to sea freight arrangement for a solar panel customer impacted AFF division posted lower revenue from RM37.0 million to RM33.6 million, a decrease of RM3.4 million (9.3 per cent). On the other hand, increase in sea shipments support from the said solar panel manufacturer contributed revenue hikes to OFF business. Sales rose from RM17.3 million to RM19.6 million, an increase of RM2.3 million (13.2 per cent). Within the DBS segment, the CL division posted an increase of RM4.0 million (7.6 per cent). CL's better performance was due to seasonal shipment increases in haulage & custom clearance businesses, which reported higher sales of RM1.8 million (9.9 per cent) and RM1.3 million (16.6 per cent) respectively, whereas warehouse business also posted an increase of RM0.9 million (4.0 per cent). Meanwhile, Trucking division also posted an increase of RM1.6 million (8.6 per cent) as against preceding quarter, due to new distribution businesses for FMCG and tele-communication cargoes.

PBT for 1QFY2017 reduced from RM14.4 million to RM8.1 million as against preceding quarter, a decrease of RM6.3 million (43.5 per cent). Drop in sales coupled with change in commission scheme effective from 1 April 2016 impacted IBS segment to record lower PBT from RM3.5 million to RM1.9 million, a decrease of RM1.6 million (44.8 per cent). This was especially reflected on PBT of AFF which dropped from RM1.9 million to RM0.6 million, a decrease of RM1.3 million (68.5 per cent). PBT from DBS segment was improved from RM4.4 million to RM5.7 million, an increase of RM1.3 million (30.6 per cent). CL business reported higher PBT by RM2.6 million (63.1 per cent), of which PBT was mainly contributed from Warehouse and Custom Clearance businesses. In spite of increase in sales, increasing fleet and operating costs caused Trucking division posted to post lower PBT from PBT of RM0.3 million to Loss before tax of RM0.9 million, a drop of RM1.2 million (365.2 per cent).

B3. Prospects for the Remaining Period to the End of the Financial Year

In the aftermath of the Brexit vote, the International Monetary Fund ("IMF"), in its latest World Economic Outlook ("WEO") report dated July 2016, has revised downwards projected global growth for 2016 by 0.1 percent to 3.1 percent. According to the WEO report, the outlook worsens for advanced economies (down by 0.1 percentage points in 2016) while it remains broadly unchanged for emerging market and developing economies. Prior to the outcome of the U.K. vote, economic data suggested that the global economy was evolving broadly as forecasted. However, the surprising outcome of the referendum has introduced substantial increase in economic, political, and institutional uncertainty, which is projected to have negative macroeconomic consequences, especially in advanced European economies. But with the event still unfolding, it is very difficult to quantify its potential repercussions. (Source: WEO dated July 2016)

In Malaysia, BNM announced on 13 August 2016 that the Malaysian economy grew by 4 percent in the second quarter of 2016 (1Q2016: 4.2 percent), marking a fifth consecutive quarter of slower growth. BNM said that the economic growth was weighed down by continued decline in net exports and a significant drawdown in stocks despite stronger expansion in domestic demand. On the supply side, BNM noted that all economic sectors continued to expand, with the exception of the agricultural sector. Going forward, BNM said that domestic demand will continue to be the main growth driver, supported primarily by private sector spending. BNM also reported that during the first half of 2016, the GDP grew 4.1 percent from a year earlier. For the whole of 2016, BNM still expects that the GDP will register a growth of 4 to 4.5 percent.

The prospects of the Group is closely tied to the performance of the Malaysian and world economy, as our core businesses are directly affected by the the health of the manufacturing sector and international trade. With the global economy still expected to expand moderately, and domestic economy showing resilient despite slowdown, the Group expects that its performance will move in tandem with the economic conditions. Downside risks for the Group include contraction or further slowdown in the global and domestic economy and rising operational costs, amongst others. On the investment side, the Group remains committed to bring our performance to the next level by investing in strategic logistic assets and facilities, such as warehousing capacities in key growth areas and specialized logistics facilities such as cold chain logistics assets.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax Expense

	Quarter and Year-To-Date Ended	
	30.06.2016 RM'000	**30.06.2015 RM'000**
Income tax		
- Current tax	(2,076)	(2,488)
- overprovision in prior years	-	-
Deferred tax		
- Current year	8	342
- underprovision in prior years	-	-
	(2,068)	(2,146)

The Group's effective tax rate for the cumulative 3 months ended 30 June 2016 was above the statutory rate of 24% for the current quarter under review is mainly due to non-deductible expenses.

B6. Corporate Proposals

There were no new proposals made for the quarter under review.

B7. Borrowing

		As at 30.06.2016 RM'000	**As at 31.03.2016 RM'000**
Short term borrowing			
Bank loan	(unsecured)	14,738	16,243
Long term borrowing			
Bank loan	(unsecured)	28,133	29,784
		42,871	46,027

The borrowings are denominated in Ringgit Malaysia except for the bank term loan which is denominated in US Dollar.

B8. Litigation

There was no material litigation pending since the last annual balance sheet date to the date of this report.

B9. Dividend Proposed

The Board of Directors proposed a final single tier dividend of 2.50 sen per ordinary share of RM0.50 each amounting to RM5,000,000 in respect of the financial year ended 31 March 2016. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

B10. Earnings Per Share

	Quarter and Year-To-Date Ended	
	30.06.2016	**30.06.2015**
PAT after non-controlling interest (RM'000)	6,009	6,087
Weighted average number of ordinary shares in issue ('000)	200,000	200,000
Earnings per share (sen)	3.00	3.04
	=============	=============

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2016. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 June 2016, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at 30.06.2016 RM'000	Contract or Notional amount as at 30.06.2015 RM'000	Fair value net gains or (loses) 30.06.2016 RM'000	Fair value net gains or (loses) 30.06.2015 RM'000	Purpose
1. Cross currency swap Contracts:					
- More than 3 years	42,871	59,269	6,263	6,249	For hedging currency risk in bank term loan
2. Forward currency contracts:					
- Less than 1 year	-	121	-	-	For hedging currency risk in payables

For the current quarter under review, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objective, policies and processes since the previous financial year end.

B12. Realised And Unrealised Profits/Losses Disclosure

	As at 30.06.2016 RM'000	As at 31.03.2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	245,526	239,278
- Unrealised	(8,528)	(7,873)
	236,998	231,405
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	1,058	954
- Unrealised	-	-
	238,056	232,359
Less: Consolidation adjustments	(13,639)	(13,951)
Total group retained profits as per consolidated accounts	**224,417**	**218,408**

The determination of realised and unrealised profits is based on the Guidance of 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*, issued by the Malaysian Institute of Accountants on 20 December 2010.

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 applied for any other purposes.

B13. Profit for the period

	Quarter and Year-To-Date Ended	
	30.06.2016 RM'000	30.06.2015 RM'000
Profit for the period is arrived at after crediting:		
Interest income	416	243
Other income	28	393
Foreign exchange gain	-	45
Unrealised foreign exchange gain	-	-
and after charging:		
Interest expenses	714	1,250
Depreciation	3,890	4,858
Provision for/write off receivables	-	-
Provision for/write off inventories	-	-
Foreign exchange loss	342	242
Other loss	-	-
Unrealised foreign exchange loss	-	-

There were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivaties or exceptional item for current quarter and financial period ended 30 June 2016 (30 June 2015: Nil)