Quarterly rpt on consolidated results for the financial period ended 31 Mar 2017

TASCO BERHAD

Financial Year End	31 Mar 2017
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Mar 2017
The figures	have been audited

Attachments

TASCO Quarterly Report 2016-17Q4.pdf
321.9 kB

Default Currency	**Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
31 Mar 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
		$$'000	$$'000	$$'000	$$'000
1	Revenue	147,392	125,274	584,402	515,666
2	Profit/(loss) before tax	12,170	14,436	43,528	44,082
3	Profit/(loss) for the period	7,556	8,497	30,856	30,710
4	Profit/(loss) attributable to ordinary equity holders of the parent	7,524	8,461	30,669	30,607
5	Basic earnings/(loss) per share (Subunit)	3.76	4.23	15.33	15.30
6	Proposed/Declared dividend per share (Subunit)	2.50	2.50	4.50	4.50

		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 ($$)	1.7000	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	26 May 2017
Category	Financial Results
Reference Number	FRA-25052017-00009

TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements For The Quarter And Year-To-Date Ended 31 March 2017

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-March-2017

	3 months ended		Cumulative 12 months ended	
	31.03.2017	**31.03.2016**	**31.03.2017**	**31.03.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Audited**	**Audited**
Revenue	147,392	125,274	584,402	515,666
Cost of sales	(112,729)	(93,275)	(440,603)	(383,624)
Gross profit	**34,663**	**31,999**	**143,799**	**132,042**
Other operating income	6,417	7,208	8,289	10,104
General and administrative expenses	(28,614)	(24,275)	(107,291)	(96,211)
Profit from operations	**12,466**	**14,932**	**44,797**	**45,935**
Share of profits of associated companies	111	89	421	459
Finance costs	(407)	(585)	(1,690)	(2,312)
Profit before taxation	**12,170**	**14,436**	**43,528**	**44,082**
Tax expense	(4,614)	(5,939)	(12,672)	(13,372)
Profit for the period/year	**7,556**	**8,497**	**30,856**	**30,710**
Profit Attributable to:				
Owners of the Company	7,524	8,461	30,669	30,607
Non-Controlling Interest	32	36	187	103
	7,556	**8,497**	**30,856**	**30,710**
Earnings per share (sen) - basic	3.76	4.23	15.33	15.30

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.

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-March-2017

	3 months ended		Cumulative 12 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Audited	Audited
Profit for the period	**7,556**	**8,497**	**30,856**	**30,710**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	(583)	274	(654)	36
Fair Value adjustment on cash flow hedge	(330)	171	(234)	(855)
Other comprehensive income/(Loss) for the period, net of tax	(913)	445	(888)	(819)
Total Comprehensive Income	**6,643**	**8,942**	**29,968**	**29,891**
Total Comprehensive Income attributable to:				
Owners of the Company	6,611	8,906	29,781	29,788
Non-Controlling Interest	32	36	187	103
	6,643	**8,942**	**29,968**	**29,891**

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.

Condensed Consolidated Statement of Financial Position as at 31-March-2017

	As at 31.03.2017 RM'000 Audited	As at 31.03.2016 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	236,014	238,773
Investment in associated company	3,722	3,954
Other investments	1,008	1,009
Total non-current assets	**240,744**	**243,736**
Current assets		
Inventories	125	156
Trade receivables	87,854	83,346
Other receivables, deposits and prepayments	82,605	16,339
Amount owing by immediate holding company	5,706	3,627
Amounts owing by related companies	9,505	4,711
Amounts owing by associated company	-	5
Current tax asset	5,952	5,930
Fixed deposits with a licensed bank	34,517	62,768
Cash and bank balances	47,182	29,817
Total current assets	**273,446**	**206,699**
TOTAL ASSETS	**514,190**	**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 31-March-2017

	As at 31.03.2017 RM'000 Audited	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	(847)	(613)
Exchange translation reserve	(766)	(112)
Retained profits	240,077	218,408
Equity attributable to owners of the Company	340,665	319,884
Non-controlling interest	1,059	872
Total equity	**341,724**	**320,756**
Non-current liabilities		
Long term bank loan	33,208	29,784
Deferred tax liabilities	10,401	8,827
Total non-current liabilities	**43,609**	**38,611**
Current liabilities		
Trade payables	34,911	32,044
Other payables, deposits and accruals	70,909	30,160
Amount owing to immediate holding company	1,129	1,724
Amounts owing to related companies	4,659	3,276
Amounts owing to associated company	165	344
Bank term loan	15,199	16,243
Current tax liabilities	1,885	7,277
Total current liabilities	**128,857**	**91,068**
Total liabilities	**172,466**	**129,679**
TOTAL EQUITY AND LIABILITIES	**514,190**	**450,435**
Net Assets per share (RM)	**1.70**	**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 31-March-2017

	Attributable to Owners of the Company								
	Non-distributable					Distributable			
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance at 31 March 2015	100,000	801	1,400	242	(148)	196,801	299,096	769	299,866
Total comprehensive income for the period	-	-	-	(855)	36	30,607	29,788	103	29,891
Dividend paid on 14 October 2015	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividend paid on 23 March 2016	-	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Balance at 31 March 2016	**100,000**	**801**	**1,400**	**(613)**	**(112)**	**218,408**	**319,884**	**872**	**320,756**
Balance at 31 March 2016	100,000	801	1,400	(613)	(112)	218,408	319,884	872	320,756
Total comprehensive income for the period	-	-	-	(234)	(654)	30,669	29,781	187	29,968
Dividend paid on 28 October 2016	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividend paid on 24 March 2017	-	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Balance at 31 March 2017	**100,000**	**801**	**1,400**	**(847)**	**(766)**	**240,077**	**340,665**	**1,059**	**341,724**

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 31-March-2017

	Year-To-Date Ended	
	31.03.2017 RM'000 Audited	31.03.2016 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,528	44,082
Adjustments for:		
Bad debts written off	0	293
Allowance for doubtful debts no longer required	(2,027)	-
Allowance for doubtful debts	842	466
Depreciation	16,766	17,971
Gain on disposal of property, plant and equipment	(194)	(5,385)
Impairment loss of other investment	57	113
Other investments written off	14	48
Share of profits of associated company, net of tax	(421)	(459)
Interest income	(1,437)	(1,103)
Dividend income	(37)	(37)
Interest expense	1,690	2,312
Unrealised (gain) / loss on foreign exchange	(2,854)	(647)
Operating profit before working capital changes	**55,927**	**57,654**
Net Changes in current assets	(40,575)	(487)
Net Changes in current liabilities	42,807	4,444
Cash generated from operations	58,159	61,611
Tax paid	(16,514)	(7,416)
Net Cash generated from operating activities	**41,645**	**54,195**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,530)	(8,009)
Proceeds from disposal of property, plant and equipment	279	11,412
Deposit paid for acquisition of subsidiary companies	(30,984)	-
Purchase of other investment	(70)	(11)
Interest received	1,437	1,103
Dividend received from other investment	37	37
Net cash (used in) / generated from investing activities	**(42,831)**	**4,532**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	14,000	8,000
Repayment of term loan	(13,302)	(17,002)
Repayment of related companies	-	(2,800)
Interest paid	(1,690)	(2,312)
Dividend paid	(9,000)	(9,000)
Net cash used in financing activities	**(9,992)**	**(23,114)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(11,178)**	**35,613**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	92,585	57,081
EFFECT OF EXCHANGE RATE CHANGES	292	(109)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**81,699**	**92,585**
Represented by:		
Fixed deposits with a licensed bank	34,517	62,768
Cash and bank balances	47,182	29,817
	81,699	**92,585**

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 audited 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
Amendments to MFRS 12	Annual Improvements to MFRS Standard 2014-2016 Cycle	1 January 2017
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9, Financial Instrucments with MFRS 4, Insurance Contracts	1 January 2018
Amendments to MFRS 140 IC Interpretation 22	Transfer of Investment Property Foreign Currency Transactions and Advance Consideration	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

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)

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.

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.

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

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

During the financial year, the Company paid:

A final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2016 was paid on 28 October 2016, and

A single tier dividend of 2.00 sen per ordinary share for the financial year ended 31 March 2017 amounting to RM4,000,000 was paid on 24 March 2017.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	12 months ended		12 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
International Business Solutions				
Air Freight Forwarding Division	170,426	145,741	3,645	8,575
Ocean Freight Forwarding Division	87,299	59,891	10,058	4,644
Origin Cargo Order & Vendor Management Division	4,794	3,929	377	408
	262,519	**209,561**	**14,080**	**13,627**
Domestic Business Solutions				
Contract Logistics Division	235,702	223,656	25,703	22,379
Trucking Division	86,181	82,449	(1,728)	(1,060)
	321,883	**306,105**	**23,975**	**21,319**
Others	-	-	5,473	9,136
Total	**584,402**	**515,666**	**43,528**	**44,082**

A10. Valuation of Property, Plant and Equipment

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

A11. Subsequent Events

Pursuant to the proposed acquisition of 2,000,000 ordinary shares of RM1 each in Gold Cold Transport Sdn Bhd (“GCT”), representing 100% equity interest in GCT, for an indicative cash consideration of RM186,086,428 subject to a maximum purchase consideration of RM188,000,000 and further adjustments as agreed by both parties. On 9 May 2017, the Company and GCT agreed the final purchase consideration is RM185,616,671.

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.

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

A14. Capital Commitment

	As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	1,814	682
- acquisition of new subsidiary companies	298,385	-
	300,199	682

A15. Related Party Disclosures

	12 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	481	1,283
Labour charges paid and payble to subsidiary companies	25,814	21,068
Maintenance charges paid and payable to a subsidiary company	6,139	6,237
Handling fees paid and payable to a subsidiary company	1,808	1,531
Handling fees received and receivable from a subsidiary company	293	155
Related logistic services paid and payable to a subsidiary company	6	6
Related logistic services received and receivable from a subsidiary company	4,692	5,043
Rental of premises paid and payable to a subsidiary company	4,537	3,777
Rental of trucks received and receivable from subsidiary company	1,837	2,090
Transaction with immediate holding company		
Related logistic services received and receivable	51,597	40,061
Related logistic services paid and payable	16,490	13,092
Transaction with related companies		
Related logistic services received and receivable	46,632	34,681
Related logistic services paid and payable	63,334	50,664
Management fee paid and payable	3,950	3,535
IT fees paid and payable	312	582
Labour charges paid and payable to related companies		-
Rental received	300	300
Repair and maintenance services	458	534
Transaction with associated company		
Rental of premises paid	1,410	1,129
Accounting fee paid to an associated company	14	19

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

B1. Performance Review : Year-to-date April 2016-March 2017 vs Year-to-date April 2015-March 2016

The Group achieved revenue of RM584.4 million for the financial year ended ("FYE") 31 March 2017 as against RM515.7 million of last financial year, an increase of RM68.7 million (13.3 per cent) year-on-year ("y-o-y"). The increase in revenue was mainly contributed from International Business Solutions ("IBS") segment, which posted an increase of RM52.9 million (25.3 per cent), from RM209.6 million to RM262.5 million. Domestics Business Solutions ("DBS") meanwhile also recorded an increase in revenue of RM15.8 million (5.2 per cent), from RM306.1 million to RM321.9 million year-on-year.

In the IBS segment, Air Freight Forwarding ("AFF") division posted an increase of RM24.7 million (16.9 per cent), from RM145.7 million to RM170.4 million y-o-y. Higher AFF revenue posted in last comparative quarter was attributed to increased export shipments of E&E cargoes to Europe, capacitors and aerospace customers as well as a project cargo of garment exportation to Japan. As for Ocean Freight Forwarding ("OFF"), continued business support from a solar panel customer contributed to significant increase in lifting volume to Northern America and Europe, and coupled with business contribution from aerospace manufacturers and tele-communication customers, propelled OFF division to post an outstanding revenue record in FYE 31 March 2017. OFF revenue increased sharply from RM63.8 million to RM92.1 million,a rise of RM28.3 million (44.3 per cent). As for the DBS, Contract Logistics ("CL") posted an increase of RM12.0 million (5.4 per cent) whereas Trucking division also registered an increase of RM3.7 million (4.5 per cent). Within CL business, increased export & import shipments & volume contribution from existing major electronics, solar panel and paper products customers drove Custom Clearance and Haulage businesses to record increases in revenue of RM10.1 million (13.4 per cent) and RM5.8 million (16.7 per cent) respectively. On the other hand, warehouse and in-plant businesses experienced revenue reduction by RM3.5 million (3.8 per cent) and RM0.1 million (0.7 per cent) respectively. Slowdown in warehousing activities coupled with loss of customers in southern region resulted in lower revenue in warehouse business y-o-y. With newly secured FMCG, automotive & tele-communication distribution businesses both in Penisular & East Malaysia, Trucking division posted an increase in revenue by RM3.7 million (4.5 per cent), from RM82.5 million to RM86.2 million.

Profit before taxation ("PBT") for the year-to-date ended 31 March 2017 decreased to RM43.5 million from RM44.1 million, a decrease of RM0.5 million (1.3 per cent), while profit for the year to-date slightly rose from RM30.7 million to RM30.9 million (0.5 per cent) y-o-y. IBS segment posted an increase in PBT of RM0.4 million (3.3 per cent) from RM13.6 million to RM14.1 million. On the other hand, DBS segment reported an increase of PBT by RM2.7 million (12.5 per cent), increased from RM21.3 million to RM23.9 million. PBT from non business segment reduced from RM9.1 million to RM5.5 million, a reduction of RM3.6 million (40.1 per cent), largely due to a one-time gain recorded in the preceding year of RM4.9 million from a disposal of a land and building. In the IBS segment, despite significant increase in revenue, competitive freight rates of securing business contracts to major customers as well as incurrence of pre-operating expenses and setup of newly secured RDC business impacted PBT of AFF business which reduced from RM8.6 million to RM3.6 million, a reduction of RM4.9 million (57.5 per cent). On the other hand, strong business support from a solar panel customer boosted PBT of OFF business from RM5.1 million to RM10.4 million (106.5 per cent). As for DBS segment, CL business reported a PBT increase of RM3.3 million (14.9 per cent), from RM22.4 million to RM25.7 million. However, the increased PBT in CL business was partially offset by increased loss before tax by RM0.7 million (62.9 per cent) of Trucking divisiion. The higher loss of Trucking business was mainly caused by increasing operating costs of cross border shipments as a result of the weakened Ringgit coupled with increasing fuel price and fleet operating expenses. Improved PBT performance of CL business was mainly contributed from custom clearance, haulage and warehouse businesses, which posted increases in PBT by RM1.6 million (43.0 per cent) , RM1.4 million (19.2 per cent) and RM0.6 million (9.5 per cent) respectively. However, it was a decrease in PBT for in-plant business, which posted a decrease of RM0.3 million (5.3 per cent), due to loss of a customer in East Coast.

B2. Comparison with Previous Year Corresponding Quarter's Results : Jan 2017 to March 2017 vs Jan 2016 to March 2016

The Group's revenue for the fourth financial quarter ended 31 March 2017 ("Q4FY2017") was posted at RM147.3 million, as against revenue of RM125.3 million for the fourth financial quarter ended 31 March 2016 ("Q4FY2016"). This represents an increase of 17.7 per cent (RM22.1 million). The increase in revenue was significantly contributed from IBS segment, which increased by RM17.1 million (31.5 per cent), from RM54.4 million to RM71.6 million. At the same time, DBS segment recorded an increase in revenue from RM70.9 million to RM75.8 million, an increase of RM5.0 million (7.0 per cent).

Within IBS segment, the biggest increase was posted by AFF business with an increase of RM11.9 million (32.1 per cent), from RM37.1 million to RM49.0 million. The increase was mainly generated from export shipments, particularly to Europe, of a E&E customer secured through bidding coupled with significant increase volume of a capacitor manufacturer. Strong export shipments support to USA & India of a solar panel customer and new importation business of furnishing cargo drove OFF division posted higher revenue by RM5.3 million (30.2 per cent). Within DBS segment, revenue from CL business rose from RM52.6 million to RM54.2 million, increased by RM1.6 million (3.1 per cent). Increased shipments of existing major E&E customers as well as solar panel customers drove custom clearance and haulage businesses to report revenue increases of RM0.5 million (2.6 per cent) and RM1.7 million (22.2 per cent) respectively. Warehouse and In-plant businesses of DBS segment showed a decrease of revenue by RM0.4 million (1.8 per cent), RM0.1 million (3.3 per cent) respectively. Although warehouse activities remained vital in central region, loss of warehouse customers and handling volume reduction in southern region resulted in warehouse division posting lower revenue. As for Trucking division, new secured distribution businesses from FMCG, automotive & tele-communication customers boosted higher revenue of RM3.3 million (18.4 per cent), from RM18.2 million to RM21.5 million.

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

B2. Comparison with Previous Year Corresponding Quarter's Results : Jan 2017 to March 2017 vs Jan 2016 to March 2016 (continue)

PBT of the Group for Q4FY2017 dropped by 15.7 per cent (RM2.2 million), from RM14.4 million to RM12.2 million. PBT of IBS showed a decrease by RM0.1 million (3.0 percent) while PBT of DBS segment rose by RM0.5 million (11.8 per cent), from RM4.4 million to RM4.9 million. PBT from non operating business segments dropped from RM6.5 million to RM3.8 million, a reduction of RM2.7 million (41.1 per cent), due to one-time gain from disposal of a land and building in the preceding year's comparative quarter.

Within IBS segment, AFF show a lower PBT of RM1.3 million from RM1.9 million to RM0.6 million quarter-on-quarter. Despite higher revenue was posted in AFF business, competitive rates of securing business contracts to major customers as well as incurrence of pre-operating expenses and setup of new secured RDC business impacted PBT of AFF reduced significantly. With strong shipments support from solar panel customer, OFF business recorded a remarkable PBT performance with an increase of RM1.2 million (70.6 per cent), from RM1.6 million to RM2.8 million quarter-on-quarter. On the DBS segment side, PBT from CL businesses rose from RM4.1 million to RM5.1 milliion, up by RM1.0 million (25.7 per cent). Increased revenue and shipment volume from custom clearance and haulage businesses resulted in an increase in PBT amounting to RM0.2 million. Warehouse and in-plant businesses, meanwhile, recorded increases in PBT of RM0.6 million and RM0.2 million respectively. PBT of Trucking division dropped from profit before tax RM0.3 million to loss before tax of RM0.1 million quarter on quarter, mainly resulted from increasing fuel & fleet operating expenses.

B3. Comparison with Preceding Quarter's Results: Jan 2017 to March 2017 vs October 2016 to December 2016

The Group's revenue of the fourth quarter ended 31 March 2017 ("Q4FY2017") was registered at RM147.4 million, as against revenue of RM159.2 million of the preceding quarter ended 31 December 2016. This represents a decrease of RM11.8 million (7.4 per cent). IBS segment posted a decrease of RM2.8 million (3.8 per cent), while DBS segment recorded decrease in sales result by RM9.0 million (10.6 per cent) as against preceding quarter.

Seasonal demand swings in domestic & international market effected downtrend in both IBS & DBS businesses. Within the IBS segment, revenue of AFF dropped from RM49.5 million to RM48.9 million, a decrease of RM0.6 million (1.2 per cent) for the current quarter under review. On the other hand, decrease in sea shipments support from solar panel manufacturer to USA in current quarter resulted in revenue of OFF business to reduce from RM24.8 million to RM22.6 million, a decrease of RM2.2 million (8.9 per cent). Within the DBS segment, the CL division posted a decrease of RM8.3 million (13.2 per cent), from RM62.5 million to RM54.3 million. Seasonal slowdown in export & import market triggered low handling volume for all businesses in CL. Hence, custom clearance, haulage, warehouse and in-plant businesses posted lower revenue of RM4.8 million (20.3 per cent), RM2.3 million (20.0 per cent), RM0.5 million (2.4 per cent) and RM0.6 million (12.5 per cent) respectively. Low distribution activities due to soft domestic market affected Trucking division which posted lower revenue of RM0.7 million (3.3 per cent), from RM22.3 million to RM21.6 million.

PBT for Q4FY2017 reduced from RM12.3 million to RM12.1 million as against preceding quarter, a decrease of RM0.1 million (1.2 per cent). Drop in volume and sales in current quarter under review impacted PBT of IBS segment reduced significantly by RM1.6 million (32.1 per cent) from RM5.0 million to RM3.4 million. Besides reduction in sales volume, high losses incurred for export shipments to Europe of a major E&E customer, due to actual freight cost was higher than contract bid price, coupled with incurrence of set-up and pre-operating expenses of a secured RDC project resulted in PBT of AFF business to reduce sharply by RM1.1 million (64.8 per cent), from RM1.8 million to RM0.6 million in current quarter under review. PBT of OFF business reduced from RM3.3 million to RM2.8 million, a reduction of RM0.5 million (14.6 per cent). As for DBS segment, PBT was down from RM6.7 million to RM4.9 million, a decrease of RM1.8 million (26.7 per cent). Within DBS segment, CL business reported reduction in PBT by RM2.3 million (30.7 per cent). Mainly this is due to reduction in export and import volume in current quarter resulting in custom clearance and haulage businesses to post lower PBT of RM0.7 million (44.2 per cent) and RM1.8 million (54.8 per cent) respectively. Warehouse business, meanwhile, posted higher PBT of RM0.3 million (21.4 per cent). PBT of in-plant business reduced slightly from RM1.2 million to RM1.1 million, a reduction of RM0.1 million (7.5 per cent). In spite of decrease in sales, improvement in third party operating cost caused Trucking division to post an improvement on loss before tax from RM0.7 million to Loss before tax of RM0.2 million, with an improvement of loss result of RM0.5 million (71.4 per cent).

B4. Prospects for the next financial year

The International Monetary Fund ("IMF"), in its latest World Economic Outlook ("WEO") report dated April 2017, raises its projection for 2017 global growth rate to 3.5 percent, from earlier estimate of 3.4 percent. The IMF cited stronger economic activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets as upside developments. However, the IMF expressed concerns on structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term. One salient threat is a turn toward protectionism leading to trade warfare, according to the IMF report.
(Source: WEO dated January 2017)

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

B4. Prospects for the next financial year (continue)

In Malaysia, BNM announced on 19 May 2017 that the local economy recorded a robust growth of 5.6 percent in the first quarter of 2017 (1Q2016: 4.1 percent), boosted by strong domestic demand and private sector expenditure. The growth for the quarter was the best since the corresponding quarter of 2015 which saw gross domestic product (GDP) expanded at 5.8%. From the supply side, the improvement was driven mainly by the turnaround in the agriculture sector and higher growth in manufacturing and services sectors. Going forward, BNM said the economy was on track to register higher growth of between 4.3% and 4.8% this year on anticipation of a further expansion in domestic demand, better export growth, and moderate inflation in the coming quarters.

The prospects of the Group is closely tied to the performance of the global as well as the Malaysian economy, as our core businesses are directly affected by the the health of the manufacturing sector and international trade. In that respect, the improving global as well as the domestic economy augur well for the Group. Barring any surprises, we expect the Group to continue its growth in 2017, both from organic growth as well as from our foray into cold chain business through our acquisitions of Gold Cold Transport Sdn Bhd and MILS Cold Chain Sdn Bhd. We expect to complete these acquisitions by the end of the first financial quarter or early part of the second financial quarter. Downside risks for the Group include rising operational costs, in particular freight rates and labour costs, higher interest costs due to higher borrowings to fund the acquisitions, and keen competition for cargo in our traditional core businesses. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity when it is beneficial to our shareholders' value.

B5. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B6. Tax Expense

	3 months ended		Cumulative 12 months ended	
	31.03.2017 RM'000	**31.03.2016 RM'000**	**31.03.2017 RM'000**	**31.03.2016 RM'000**
Income tax				
- Current tax	(2,302)	(1,933)	(11,129)	(11,625)
- overprovision in prior years	192	(1,377)	192	(1,377)
Deferred tax				
- Current year	(1,553)	(1,153)	(784)	1,106
- underprovision in prior years	(789)	(1,476)	(789)	(1,476)
- real property gains tax	(162)	-	(162)	-
	(4,614)	(5,939)	(12,672)	(13,372)

The Group's effective tax rate for the cumulative 12 months ended 31 March 2017 was above the statutory rate of 24% for the current quarter under review is mainly due to non-deductible expenses.

B7. Corporate Proposals

(a) On 10 January 2017, the Company announced its proposed acquisition of 2,000,000 ordinary shares of RM1 each in Gold Cold Transport Sdn Bhd (“GCT”), representing 100% equity interest in GCT, for an indicative cash consideration of RM186,086,428 subject to a maximum purchase consideration of RM188,000,000 and further adjustments as agreed by both parties. On 9 May 2017, the parties agreed the final purchase consideration is RM185,616,671.

Initial deposit amounting to RM3,721,722 was paid on 9 January 2017 and was funded via internally generated funds of the Company. The balance of deposit of 8% of the indicative purchase consideration amounting to RM14,886,915 was paid on 30 March 2017. The proposed GCT acquisition and completion thereof are conditional upon fulfilment of certain conditions precedent within 5 months from the date of the SPA or such other period as may be mutually agreed by the parties.

B7. Corporate Proposals (continue)

(b) On 23 January 2017, the Company entered into the following agreements with Swift Integrated Logistics Sdn Bhd (formerly known as MISC Integrated Logistics Sdn Bhd) ("SILS"):

(i) Sale and Purchase Agreement ("SPA") for the acquisition of six (6) parcels of leasehold lands all located in Pulau Indah, together with the furniture, fixtures, fittings and building(s) erected thereon for a cash consideration of RM113,827,400 ("Proposed Properties Acquisition"); and

(ii) Share sale agreement ("SSA") for the acquisition of 3,000,000 ordinary shares of RM1.00 each and 2,800,000 redeemable convertible preference shares ("RCPS") of RM0.10 each in MILS Cold Chain Logistics Sdn Bhd ("MCCL") ("Sale Shares"), representing the entire issued and paid-up capital of MCCL, for a cash consideration of RM9,925,100 ("Share Purchase Consideration") as well as the assumption of loans received by MCCL from SILS with an outstanding balance of RM20,000,000 ("Shareholder's Loan"), for a total cash consideration of RM29,925,100 ("Proposed Share Acquisition").

The Proposed Properties Acquisition and Proposed Share Acquisition are collectively referred to as the "Proposed Westport Acquisition".

Initial deposit for the Proposed Properties Acquisition and Proposed Share Acquisition amounting to RM11,382,740 and RM992,510, respectively, was paid on 23 January 2017 and was funded via internally-generated funds of the Company. The Proposed Westport Acquisition and completion thereof are conditional upon fulfilment of certain conditions precedent within 6 months from the date of the SPA and SSA or such other period as may be mutually agreed by the parties.

B8. Borrowing

		As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
Short term borrowing			
Bank loan	(unsecured)	15,199	16,243
Long term borrowing			
Bank loan	(unsecured)	33,208	29,784
		48,407	46,027

The borrowings for the bank term loan is denominated in US Dollar.

B9. Litigation

There was no material litigation pending since end of the reporting period to the date of this report.

B10. Dividend

On 26 May 2017, the Board of Directors declare a final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2017.

B11. Earnings Per Share

	3 months ended		Cumulative 12 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
PAT after non-controlling interest (RM'000)	7,524	8,461	30,669	30,607
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	3.76	4.23	15.33	15.30

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2017. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 March 2017, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at 31.03.2017 RM'000	Contract or Notional amount as at 31.03.2016 RM'000	Fair value net gains or (loses) 31.03.2017 RM'000	Fair value net gains or (loses) 31.03.2016 RM'000	Purpose
1. Cross currency swap Contracts:					
- More than 3 years	48,407	46,027	7,263	5,815	For hedging currency risk in bank term loan
2. Forward currency contracts:					
- Less than 1 year	-	163	-	-	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.

B13. Realised And Unrealised Profits/Losses Disclosure

	As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	260,420	239,278
- Unrealised	(7,258)	(7,873)
	253,162	231,405
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	722	954
- Unrealised	-	-
	253,884	232,359
Less: Consolidation adjustments	(13,807)	(13,951)
Total group retained profits as per consolidated accounts	**240,077**	**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.

B14. Profit for the period

	3 months ended		Cumulative 12 months ended	
	31.03.2017 RM'000	**31.03.2016 RM'000**	**31.03.2017 RM'000**	**31.03.2016 RM'000**
Profit for the period is arrived at after crediting:				
Interest income	304	358	1,437	1,103
Other income	2,361	254	2,796	950
Gain on disposal of land and building	-	5,385	-	5,385
Foreign exchange gain	897	564	1,201	2,019
Unrealised foreign exchange gain	2,855	647	2,855	647
and after charging:				
Interest expenses	407	585	1,690	2,312
Depreciation	3,912	3,830	16,766	17,971
Provision for/write off receivables	843	759	843	759
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	-	-	-	-
Unrealised foreign exchange loss	-	-	-	-
Impairment loss of other investment	57	113	57	113

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 year ended 31 March 2017 (31 March 2016: Nil)