Quarterly rpt on consolidated results for the financial period ended 30 Jun 2017

TASCO BERHAD

Financial Year End	31 Mar 2018
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Jun 2017
The figures	have not been audited

Attachments

TASCO Quarterly Report 2017-18Q1.pdf
302.9 kB

Default Currency	**Other Currency**

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	**PRECEDING YEAR CORRESPONDING QUARTER**	**CURRENT YEAR TO DATE**	**PRECEDING YEAR CORRESPONDING PERIOD**
		30 Jun 2017	**30 Jun 2016**	**30 Jun 2017**	**30 Jun 2016**
		$$'000	**$$'000**	**$$'000**	**$$'000**
1	**Revenue**	156,959	129,690	156,959	129,690
2	**Profit/(loss) before tax**	9,502	8,148	9,502	8,148
3	**Profit/(loss) for the period**	7,111	6,080	7,111	6,080
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	7,044	6,009	7,044	6,009
5	**Basic earnings/ (loss) per share (Subunit)**	3.52	3.00	3.52	3.00
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 ($$)**		1.7400		1.7000

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 2017
Category	Financial Results
Reference Number	FRA-17082017-00019

TASCO Berhad
(Company No: 20218-T)

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

30 June 2017

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-2017

	Quarter and Year-to-Date Ended	
	30.06.2017	**30.06.2016**
	RM'000	**RM'000**
	Unaudited	**Unaudited**
Revenue	156,959	129,690
Cost of sales	(119,392)	(97,417)
Gross profit	**37,567**	**32,273**
Other operating income	752	444
General and administrative expenses	(28,164)	(23,959)
Profit from operations	**10,155**	**8,758**
Share of profits of associated companies	7	104
Finance costs	(660)	(714)
Profit before taxation	**9,502**	**8,148**
Tax expense	(2,391)	(2,068)
Profit for the period	**7,111**	**6,080**
Profit Attributable to:		
Owners of the Company	7,044	6,009
Non-Controlling Interest	67	71
	7,111	**6,080**
Earnings per share (sen) - basic	3.52	3.00

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	Quarter and Year-to-Date Ended	
	30.06.2017	**30.06.2016**
	RM'000	**RM'000**
	Unaudited	**Unaudited**
Profit for the period	**7,111**	**6,080**
Other Comprehensive Income:		
Exchange differences on translation foreign operation	115	(188)
Fair Value adjustment on cash flow hedge	489	(210)
Other comprehensive income/(Loss) for the period, net of tax	604	(398)
Total Comprehensive Income	**7,715**	**5,682**
Total Comprehensive Income attributable to:		
Owners of the Company	7,648	5,611
Non-Controlling Interest	67	71
	7,715	**5,682**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	As at 30.06.2017 RM'000 Unaudited	As at 31.03.2017 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	238,383	236,014
Investment in associated company	3,729	3,722
Other investments	1,008	1,008
Total non-current assets	**243,120**	**240,744**
Current assets		
Inventories	130	125
Trade receivables	98,515	87,854
Other receivables, deposits and prepayments	58,240	82,605
Amount owing by immediate holding company	5,213	5,706
Amounts owing by related companies	10,998	9,505
Current tax asset	5,224	5,952
Fixed deposits with a licensed bank	45,366	34,517
Cash and bank balances	24,204	47,182
Total current assets	**247,890**	**273,446**
TOTAL ASSETS	**491,010**	**514,190**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	As at 30.06.2017 RM'000 Unaudited	As at 31.03.2017 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	(358)	(847)
Exchange translation reserve	(651)	(766)
Retained profits	247,121	240,077
Equity attributable to owners of the Company	348,313	340,665
Non-controlling interest	1,126	1,059
Total equity	**349,439**	**341,724**
Non-current liabilities		
Long term bank loan	44,393	33,208
Deferred tax liabilities	10,270	10,401
Total non-current liabilities	**54,663**	**43,609**
Current liabilities		
Trade payables	36,722	34,911
Other payables, deposits and accruals	24,341	70,909
Amount owing to immediate holding company	854	1,129
Amounts owing to related companies	6,652	4,659
Amounts owing to associated company	65	165
Bank term loan	17,099	15,199
Current tax liabilities	1,175	1,885
Total current liabilities	**86,908**	**128,857**
Total liabilities	**141,571**	**172,466**
TOTAL EQUITY AND LIABILITIES	**491,010**	**514,190**
Net Assets per share (RM)	**1.74**	**1.70**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-June-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 1 April 2016	100,000	801	1,400	(613)	(112)	218,408	319,884	872	320,756
Total comprehensive income for the period	-	-	-	(210)	(188)	6,009	5,611	71	5,682
Balance at 30 Jun 2016	**100,000**	**801**	**1,400**	**(823)**	**(300)**	**224,417**	**325,495**	**943**	**326,438**
Balance at 1 April 2017	100,000	801	1,400	(847)	(766)	240,077	340,665	1,059	341,724
Total comprehensive income for the period	-	-	-	489	115	7,044	7,648	67	7,715
Balance at 30 June 2017	**100,000**	**801**	**1,400**	**(358)**	**(651)**	**247,121**	**348,313**	**1,126**	**349,439**

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-June-2017

	Year-To-Date Ended	
	30.06.2017 RM'000 Unaudited	30.06.2016 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,502	8,148
Adjustments for:		
Depreciation	4,472	3,890
Loss on disposal of property, plant and equipment	(67)	1
Share of profits of associated company, net of tax	(7)	(104)
Interest income	(225)	(416)
Interest expense	660	714
Operating profit before working capital changes	**14,336**	**12,233**
Net Changes in current assets	12,953	(5,981)
Net Changes in current liabilities	(45,009)	(13,607)
Cash generated used in operations	(17,721)	(7,355)
Tax paid	(2,287)	(7,394)
Net Cash used in operating activities	**(20,008)**	**(14,749)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,582)	(3,023)
Proceeds from disposal of property, plant and equipment	68	260
Purchase of other investment	-	(70)
Interest received	225	416
Net cash used in investing activities	**(6,289)**	**(2,417)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	18,000	-
Repayment of term loan	(3,163)	(3,813)
Interest paid	(660)	(714)
Net cash generated from / (used in) financing activities	**14,177**	**(4,527)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(12,119)**	**(21,693)**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	81,700	92,586
EFFECT OF EXCHANGE RATE CHANGES	(10)	(188)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**69,570**	**70,705**
Represented by:		
Fixed deposits with a licensed bank	45,366	40,920
Cash and bank balances	24,204	29,785
	69,570	**70,705**

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2017. 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 2017.

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 2017.

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 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	Transfer of Investment Property	1 January 2018
IC Interpretation 22	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

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.

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 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 period ended 31 March 2017 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 dividends was paid in the current quarter under review.

A9. Segmental Reporting

	Segmental Revenue 3 months ended		Segmental Result (PBT) 3 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
International Business Solutions				
Air Freight Forwarding Division	42,976	33,608	1,386	594
Ocean Freight Forwarding Division	28,014	19,655	2,442	1,354
	70,990	**53,263**	**3,828**	**1,948**
Domestic Business Solutions				
Contract Logistics Division	63,211	56,664	6,898	6,636
Trucking Division	22,758	19,763	(688)	(889)
	85,969	**76,427**	**6,210**	**5,747**
Others	-	-	(536)	453
Total	**156,959**	**129,690**	**9,502**	**8,148**

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 except for the completion of acquisition of Gold Cold Transport Sdn Bhd ("GCT") on 12 Jul 2017.

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 30.06.2017 RM'000	As at 30.06.2016 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	109,973	4,731
- acquisition of new subsidiary companies	195,941	-

TASCO Berhad

Company No:20218-T
Incorporated In Malaysia

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

A15. Related Party Disclosures

	3 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	107	129
Labour charges paid and payble to subsidiary companies	8,839	6,592
Maintenance charges paid and payable to a subsidiary company	1,651	1,700
Handling fees paid and payable to a subsidiary company	463	410
Handling fees received and receivable from a subsidiary company	54	22
Related logistic services received and receivable from a subsidiary company	835	749
Rental of premises paid and payable to a subsidiary company	1,133	1,134
Rental of trucks received and receivable from subsidiary company	886	934
	=============	=============
Transaction with immediate holding company		
Related logistic services received and receivable	14,088	8,839
Related logistic services paid and payable	3,698	3,386
Transaction with related companies		
Related logistic services received and receivable	14,196	9,203
Related logistic services paid and payable	18,342	12,054
Management fee paid and payable	1,099	945
IT fees paid and payable	213	126
Rental received	79	75
	=============	=============
Transaction with associated company		
Rental of premises paid	-	282
Accounting fee paid to an associated company	-	5
	=============	=============

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

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

The Group achieved revenue of RM156.9 million for the financial period ended ("FPE") 30 June 2017 as against RM129.7 million, an increase of RM27.2 million (21.0 per cent) year-on-year ("y-o-y"). Revenue generated from International Business Solutions (IBS) segment showed an increase of RM17.7 million (33.3 per cent) while Domestics Business Solutions (DBS) segments also posted an increase in revenue of RM9.5 million (12.5 per cent) y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted an increase of RM9.4 million (27.9 per cent). Contribution from export cargoes of printed circuit boards, E&E, capacitors, semiconductors as well as aerospace customers boosted higher revenue of AFF business. For Ocean Freight Forwarding ("OFF") division, strong shipments contribution by a solar panel customer, especially export shipments to New York & Savannah of USA, coupled with increased export to Japan of an aerospace customer significantly uplifted OFF revenue performance. New customers of furniture manufacturers of OCM business also contributed higher revenue to OFF division. Sales revenue of OFF division posted an increase of RM8.3 million (42.5 per cent) y-o-y. As for the DBS, Contract Logistics ("CL") posted an increase of RM6.5 million (11.6 per cent). Within DBS business, warehouse division was a large contributor to DBS business, with an increase in revenue of RM4.1 million (17.5 per cent). Revenue from a new global repair parts business of an E&E customer and a new secured electrical appliance customer boosted revenue in warehouse business. Follow by haulage division recorded revenue increase of RM1.2 million (13.7 per cent). Custom clearance and in-plant businesses were slightly increased by RM0.7 million (3.7 per cent) and RM0.5 million (11.8 per cent) respectively. Trucking division posted revenue increase of RM3.0 million (15.2 per cent), largely as a result of increase in a new secured E&E account in central region as well as increased distribution of a FMCG customer and inbound cross border business from Thailand.

Profit before taxation ("PBT") for the year-to-date ended 30 June 2017 increased to RM9.5 million from RM8.1 million, an increase of RM1.4 million (16.6 per cent) and profit for the period to-date went up to RM7.1 million from RM6.1 million (16.9 per cent). With an increase in revenue in IBS business, it resulted IBS business posted an increase in PBT of RM3.8 million (96.5 per cent) from RM1.9 million to RM3.8 million. PBT generated from AFF business increased from RM0.6 million to RM1.4 million, an increase of RM0.8 million (133.3 per cent) whereas OFF business posted an increase in PBT of RM1.1 million (80.3 per cent) from RM1.3 million to RM2.4 million. As for DBS segment, with the revenue increase due to reasons stated above, DBS registered an increase of PBT of RM0.5 million (8.0 per cent) from RM5.7 million to RM6.2 million. Within DBS segment, PBT of CL business was increased by RM0.3 (3.9 per cent). PBT of warehouse & in plant businesses with an increase totalling RM1.3 million (37.2 per cent) contributed to PBT of CL segment. However it was partially offset by drop in PBT from custom clearance & haulage businesses by RM0.4 million and RM0.6 million respectively. PBT performance of Trucking division was improved by RM0.2 million (22.7 per cent) from loss before tax ("LBT") RM0.9 million to LBT RM0.7 million.

B2. Comparison with Preceding Quarter's Results: April 2017 to June 2017 vs January 2017 to March 2017

The Group's revenue of the first quarter ended 30 June 2017 ("FY1Q2018") was registered at RM156.9 million, as against revenue of RM147.4 million of the preceding quarter ended 31 Mar 2017. This represents an increase of RM9.6 million (6.5 per cent). IBS segment posted a decrease of RM0.6 million (0.8 per cent), from RM71.6 million to RM71.0 million. On the other hand, DBS segment registered better revenue results, particularly in Contract Logistics Division, with an increase of RM10.1 million (13.4 per cent), from RM75.8 million in preceding quarter to RM85.9 million.

Within the IBS segment, AFF division posted revenue from RM48.9 million to RM43.0 million, a decrease of RM6.0 million (12.2 per cent). Drop in AFF revenue was partly attributable to drop in export shipments of aerospace cargoes to Japan & Europe coupled with non-participation of tender of a loss E&E account which was secured last year. Incheon airport strike in April 2017 also badly affected export shipments to Korea. Significant drop in AFF revenue was partially offset by the increase of OFF division. A new business tender secured for export shipments to Australia of a furniture manufacturer and continuous increasing containers contribution of solar panel customer to USA significantly uplifted revenue of OFF by recording an increase of RM5.4 million (23.9 per cent) from RM22.6 million to RM28.0 million. Within the DBS segment, recovery of exports boosted the CL division posted an increase of RM8.9 million (16.4 per cent). Revenue of custom clearance, haulage and in plant business rose by RM2.1 million (11.1 per cent), RM0.8 million (8.5 per cent) and RM0.7 million (16.1 per cent) respectively. A newly secured global repair parts project of a E&E customer & warehousing business of RDC in KLIA free zone for a semiconductor customer boosted revenue of warehouse business increased from RM22.0 million to RM27.3 million, an increase of RM5.4 million (24.5 per cent). Increase in cross border trucking from Thailand and domestic distribution for FMCG and E&E customers resulted Trucking division also posted an increase of RM1.2 million (5.6 per cent) as against preceding quarter.

B2. Comparison with Preceding Quarter's Results: April 2017 to June 2017 vs January 2017 to March 2017 (continue)

PBT for FY1Q2018 decreased from RM12.2 million posted in the preceding quarter to RM9.5 million in current quarter under review, a decrease of RM2.7 million (21.9 per cent). PBT from IBS segment was at RM3.8 million, increased by RM0.4 million (12.0 per cent). Despite drop in revenue of AFF business, AFF business reported significant improvement in PBT with an increase of RM0.8 million (123.4 per cent), from RM0.6 million to RM1.4 million. Discontinuation of loss making business of a E&E customer and reduction in non operating expenses resulted in better net margin to AFF business. Whereas higher buying costs of long haul shipments impacted PBT of OFF business to drop by RM0.4 million (12.7 per cent) from RM2.7 million to RM2.4 million. On the other hand, DBS segment posted an increase of RM1.3 million (26.2 per cent) from RM4.9 million to RM6.2 million. CL division registered an increase of PBT of RM1.8 million (34.9 per cent), from RM5.1 million to RM6.9 million. With increase in handling volume of major customers in the custom clearance, warehouse and in-plant businesses which increased PBT by RM0.08 million (8.4 per cent), RM1.8 (110.5 per cent) and RM0.3 million (24.0 per cent) respectively. However, increasing fuel price fluctuation impacted haulage business in CL divisions as well as Trucking Division reported lower PBT. PBT of haulage business was slightly drop by RM0.4 million (27.4 per cent). In addition, slow recovery of fuel price adjustment from customers also resulted Trucking division recorded a decrease of RM0.5 million (259.6 per cent).

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

According to the latest World Economic Outlook report ("WEO") dated July 2017 released by the International Monetary Fund ("IMF"), global growth anticipated in its April report remains intact with global output projected to grow by 3.5 percent in 2017 and 3.6 percent in 2018. The growth momentum is primarily due to better demand from major and emerging economies as well as from commodity-exporting economies in light of improved prices for most commodities. IMF is of the opinion that short-term risks are broadly balanced, but medium-term risks are still skewed to the downside. The pickup in activity in the euro area is a positive development; however, protracted policy uncertainty or other shocks could trigger a correction in rich market valuation, especially in equities.
(Source: WEO dated July 2017)

In Malaysia, better-than-expected growth in the first half of 2017 exerts positive sentiments about the economy, reflected by several indicators. The Malaysian Institute of Economic Research ("MIER") projected the Malaysian economy to grow by 4.8% this year (2016: 4.2%), an upward revision by 0.3 percent from its April forecast. The growth is expected to be driven primarily by domestic demand, reinforced by stronger external demand. The external sector was busy from the beginning of the year, after being relatively quiet for the past year. Both exports and imports grew by double digits every month for the first five months of this year, attributed to improvement in the world trade flows. Gross import grew by an average 27.7% for the first three months of 2017, whereas gross export grew by 21.4% over the same period. This contrast with 2016, whereby not a single month registered double digit growth for either import or export.
(Source: MIER Malaysian Economic Outlook dated July 2017)

The prospects of the Group is closely tied to the performance of the global as well as the Malaysian economy, as our core businesses in logistics are directly affected by the health of the manufacturing sector and international trade. The improving global and domestic economies as reported by the esteemed organizations mentioned above are positive developments for the Group. Barring any surprises, we expect the Group to continue its growth momentum in 2017. Thus far in this financial year, our results are derived solely from organic growth in our traditional logistics segments. On 12 July 2017, we completed our acquisition of Gold Cold Transport Sdn. Bhd. ("GCT"), thus marking our official foray into cold supply chain logistics business. Hence, the results of GCT will be consolidated into our accounts with effect from our second financial quarter this year. Our acquisition of MILS Cold Chain Sdn. Bhd., on the other hand, is still pending approval from the relevant authorities. 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.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax Expense

	Quarter and Year-To-Date Ended	
	30.06.2017 RM'000	**30.06.2016 RM'000**
Income tax		
- Current tax	(2,486)	(2,076)
- overprovision in prior years	-	-
Deferred tax		
- Current year	95	8
- underprovision in prior years	-	-
	(2,391)	(2,068)

The Group's effective tax rate for the cumulative 3 months ended 30 June 2017 was above the statutory rate of 24% for the current quarter under review is mainly due to non-deductible expenses.

B6. Corporate Proposals

Following up with the below corporate proposals, which are collectively referred as the "Corporate Exercises" which were announced on 10 January 2017, 24 January 2017, 10 March 2017, 15 March 2017, 30 March 2017 and 9 May 2017, the shareholders of TASCO have at the Extraordinary General Meeting held on 29 June 2017, approved all the ordinary resolutions as set out in the notice of EGM dated 7 June 2017 of the Corporate Exercises.
(i) Proposed GCT Acquisition; and
(ii) Proposed Westport Acquisition

On 12 July 2017, the Board of Directors announced that all the conditions precedent in the GCT SPA have been fulfilled and that the Proposed GCT Acquisition has been completed on 12 July 2017 following the settlement of the balance GCT Purchase Consideration in accordance to the terms and conditions of the GCT SPA.

B7. Borrowing

		As at 30.06.2017 RM'000	As at 31.03.2017 RM'000
Short term borrowing			
Bank loan	(unsecured)	17,099	15,199
Long term borrowing			
Bank loan	(unsecured)	44,393	33,208
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		61,492	48,407
		=============	=============

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

B8. Litigation

There was no material litigation pending since 31 March 2017 to the date of this report.

B9. Dividend

On 26 May 2017, the Board of Directors declared a single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2017. The dividend was paid on 7 July 2017.

B10. Earnings Per Share

	Quarter and Year-To-Date Ended	
	30.06.2017	30.06.2016
PAT after non-controlling interest (RM'000)	7,044	6,009
Weighted average number of ordinary shares in issue ('000)	200,000	200,000
Earnings per share (sen)	3.52	3.00
	=============	=============

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2017. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 June 2017, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at 30.06.2017 RM'000	Contract or Notional amount as at 30.06.2016 RM'000	Fair value net gains or (loses) 30.06.2017 RM'000	Fair value net gains or (loses) 30.06.2016 RM'000	Purpose
1. Cross currency swap Contracts:					
- More than 3 years	61,492	42,871	6,001	6,263	For hedging currency risk in bank term loan
2. Forward currency contracts:					
- Less than 1 year	-	-	-	-	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 30.06.2017 RM'000	As at 31.03.2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	269,467	260,420
- Unrealised	(9,262)	(7,258)
	260,205	253,162
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	729	722
- Unrealised	-	-
	260,934	253,884
Less: Consolidation adjustments	(13,812)	(13,807)
Total group retained profits as per consolidated accounts	**247,121**	**240,077**

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	
	30.06.2017 RM'000	**30.06.2016 RM'000**
Profit for the period is arrived at after crediting:		
Interest income	225	416
Other income	444	28
Foreign exchange gain	83	-
Unrealised foreign exchange gain	-	-
and after charging:		
Interest expenses	660	714
Depreciation	4,472	3,890
Provision for/write off receivables	-	-
Provision for/write off inventories	-	-
Foreign exchange loss	-	342
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 2017 (30 June 2016: Nil)