

TASCO Berhad
Company No: 197401003124 (20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2021



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-September-2021**

	3 months ended		Cumulative 6 months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	315,515	229,457	605,565	408,022
Cost of sales	(273,311)	(192,962)	(522,719)	(346,894)
Gross profit	42,204	36,495	82,846	61,128
Other income	2,152	1,268	3,560	4,592
Administrative and general expenses	(17,176)	(18,562)	(34,816)	(37,195)
Profit from operations	27,180	19,201	51,590	28,525
Finance costs	(3,411)	(3,496)	(6,729)	(7,578)
Share of results of associated company and joint venture	164	(109)	446	(122)
Profit before taxation	23,933	15,596	45,307	20,825
Tax expense	(7,708)	(4,208)	(12,907)	(6,031)
Profit for the period	16,225	11,388	32,400	14,794
Profit Attributable to:				
Owners of the Company	15,687	10,702	31,453	13,338
Non-Controlling Interest	538	686	947	1,456
	16,225	11,388	32,400	14,794
Earnings per share (sen) - basic	1.96	1.34*	3.93	1.67*

* For comparative purpose, the earning per share for the period ended 30 September 2020 has been restated to reflect the share split of 4 shares for every 1 existing ordinary shares which was completed on 12 March 2021.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 30-September-2021**

Profit for the period

Other Comprehensive Income:

Exchange differences on translation foreign operation

Fair Value adjustment on cash flow hedge

Other comprehensive income/(Loss) for the period, net of tax

Total Comprehensive Income

Total Comprehensive Income attributable to:

Owners of the Company

Non-Controlling Interest

3 months ended		Cumulative 6 months Ended	
30.09.2021	30.09.2020	30.09.2021	30.09.2020
RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
16,225	11,388	32,400	14,794
=====	=====	=====	=====
-	-	-	644
-	-	-	-
-----	-----	-----	-----
-	-	-	644
-----	-----	-----	-----
16,225	11,388	32,400	15,438
=====	=====	=====	=====
15,687	10,702	31,453	13,982
538	686	947	1,456
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16,225	11,388	32,400	15,438
=====	=====	=====	=====

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position as at 30-September-2021

	As at 30.09.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	512,724	515,402
Right-of-use assets	30,897	19,524
Goodwill	81,864	81,864
Investment in associated company	14,230	3,197
Investment in joint venture companies	3,395	3,432
Other assets	962	924
Deferred Tax assets	-	7
Total non-current assets	644,072	624,350
Current assets		
Trade receivables	187,226	169,447
Contract Asset	19,742	-
Other receivables, deposits and prepayments	26,224	20,785
Amount owing by immediate holding company	9,114	6,761
Amounts owing by related companies	29,042	22,313
Amounts owing by associated company	50	50
Amount owing by a joint venture company	162	447
Current tax asset	288	497
Short term investments	5,485	5,438
Fixed deposits with licensed banks	1,140	33,105
Cash and bank balances	98,554	77,833
Total current assets	377,027	336,676
TOTAL ASSETS	1,021,099	961,026

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-September-2021

	As at 30.09.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
EQUITY AND LIABILITIES		
Equity		
Share capital	100,801	100,801
Revaluation reserve	1,401	1,401
Fair value reserve	(65)	(65)
Retained profits	388,916	367,463
Equity attributable to owners of the Company	491,053	469,600
Non-controlling interest	66,569	66,972
Total equity	557,622	536,572
Non-current liabilities		
Amounts owing to corporate shareholder of subsidiary company	4,387	4,573
Hire purchase payables	212	-
Lease liabilities	17,235	10,705
Bank term loans	159,735	216,601
Deferred tax liabilities	22,601	22,882
Total non-current liabilities	204,170	254,761
Current liabilities		
Trade payables	102,252	65,669
Other payables, deposits and accruals	40,266	42,218
Amount owing to immediate holding company	3,297	2,663
Amounts owing to related companies	16,398	16,502
Amounts owing to associated company	564	-
Hire purchase payables	128	-
Lease liabilities	14,063	9,017
Bank term loans	72,375	29,874
Amounts owing to corporate shareholder of subsidiary company	372	479
Current tax liabilities	9,592	3,271
Total current liabilities	259,307	169,693
Total liabilities	463,477	424,454
TOTAL EQUITY AND LIABILITIES	1,021,099	961,026
Net Assets per share (RM)	0.61	0.59

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-September-2021

	----- A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y -----							
	----- Non-distributable -----				-- Distributable --			
	Share capital	Revaluation reserve	Hedge reserve	Exchange translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 April 2020	100,801	1,401	-	(644)	(65)	334,189	435,682	64,577
Total comprehensive income for the period	-	-	-	644	-	13,338	13,982	1,456
Dividend paid (Note A8)	-	-	-	-	-	(4,000)	(4,000)	-
Balance at 30 Sep 2020	100,801	1,401	-	-	(65)	343,527	445,664	66,033
	=====	=====	=====	=====	=====	=====	=====	=====
Balance at 1 April 2021	100,801	1,401	-	-	(65)	367,463	469,600	66,972
Total comprehensive income for the period	-	-	-	-	-	31,453	31,453	947
Dividend paid (Note A8)	-	-	-	-	-	(10,000)	(10,000)	(1,350)
Balance at 30 Sep 2021	100,801	1,401	-	-	(65)	388,916	491,053	66,569
	=====	=====	=====	=====	=====	=====	=====	=====

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-September-2021

	Year-To-Date Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	45,307	20,825
Adjustments for:		
Allowance for doubtful debts	26	138
Allowance for doubtful debts no longer required	(16)	(818)
Depreciation of property, plant and equipment	14,333	14,017
Amortisation of right-of-use assets	7,336	4,754
Loss/(Gain) on disposal of property, plant and equipment	27	(287)
Loss on derecognition of subsidiary	-	825
Fair value gain on short term investments	(47)	(62)
Property, plant and equipment written off	18	-
Share of result of associated company and joint ventures, net of tax	(446)	(122)
Interest income	(451)	(874)
Interest expense	6,729	7,578
Loss on disposal of others investment	-	11
Unrealised (gain) / loss on foreign exchange	273	2,074
Operating profit before working capital changes	73,090	48,059
Changes in receivables	(52,041)	(37,638)
Changes in payables	35,726	14,064
Cash generated from operations	56,775	24,485
Net Tax paid	(6,651)	(5,481)
Net Cash generated from operating activities	50,124	19,004
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,660)	(4,196)
Proceeds from disposal of property, plant and equipment	318	354
Net cash outflow of derecognition of subsidiary	-	(45)
Placement in short term investments	-	(5,392)
Investment in joint venture company	(10,550)	-
Purchase of other investment	(38)	-
Proceeds from disposal of other investment	-	6
Interest received	451	874
Net cash used in investing activities	(21,479)	(8,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(14,366)	(62,535)
Payment of hire purchase	(19)	(143)
Interest paid	(6,729)	(7,578)
Payment of lease liabilities	(7,132)	(4,783)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(293)	(301)
Dividend paid	(11,350)	(4,000)
Net cash used in financing activities	(39,889)	(79,340)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,244)	(68,735)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	110,938	191,781
EFFECT OF EXCHANGE RATE CHANGES	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	99,694	123,046
Represented by:		
Fixed deposits with a licensed bank	1,140	21,756
Cash and bank balances	98,554	101,290
	99,694	123,046

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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, recoverable value, realisable value and 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 2021. 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 2021.

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 or revised standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2021.

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, amendments and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective Date
Amendments to MFRS1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment– Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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

The adoption of the above new standards, amendments and interpretations are not expect to have significant impact on the financial statements of the Group and of the Company.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2021 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.

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A8. Dividends Paid**

The following dividends were paid during the current and previous corresponding financial periods ended:

Interim /Final dividend	As at 30.09.2021	As at 30.09.2020
Final dividend per share (single-tier)	1.25 sen	2.0 sen
For the financial year ended	31 March 2021	31 March 2020
Approved and declared on	03 May 2021	18 June 2020
Date paid	03 June 2021	27 July 2020
Number of ordinary shares on which dividend was paid (in '000)	800,000	200,000
Net dividend paid (in RM'000)	10,000	4,000

A9. Segmental Reporting**International Business Solutions**

Air Freight Forwarding Division
Ocean Freight Forwarding Division

Domestic Business Solutions

Contract Logistics Division
Cold Supply Chain Division
Trucking Division

Others

Total

Segmental Revenue		Segmental Result PBT	
6 months ended		6 months ended	
30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
178,075	117,307	15,957	8,524
102,539	46,802	4,127	(72)
280,614	164,109	20,084	8,452
184,949	151,289	18,857	10,303
67,202	62,132	4,220	5,477
72,800	30,492	4,871	728
324,951	243,913	27,948	16,508
-	-	(2,726)	(4,135)
605,565	408,022	45,307	20,825

A10. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment under current period review. As at 30 September 2021, all property, plant and equipment were stated at cost less accumulated depreciation.

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

Except for below items, there were no material contingent assets and liabilities since 30 September 2021 to the date of this report:

	As at 30.09.2021 RM'000	As at 30.09.2020 RM'000
Corporate guarantees in favour of suppliers of its joint venture company, YLTC Sdn Bhd for supplying such goods and services on credit	5,400	5,400
Corporate guarantee in favour of a licensed bank of its joint venture company, YLTC Sdn Bhd for trade facilities	7,150	6,800
Corporate guarantee in favour of licensed banks of its subsidiary company, Gold Cold Transport Sdn Bhd for repayment of term loan to finance the land and building	31,643	35,883
	44,193	48,083

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A14. Capital Commitment**

Authorised and contracted for

- acquisition of property, plant and equipment
- acquisition of leasehold land and building

As at 30.09.2021 RM'000	As at 30.09.2020 RM'000
16,136	3,393
-	25,370
16,136	28,763

A15. Significant Related Party Transactions**Transaction with subsidiary companies**

Rental of trucks paid and payable to subsidiary companies	150	153
Labour charges paid and payable to subsidiary companies	17,827	15,010
Labour charges received and receivable from subsidiary companies	170	133
Handling fees paid and payable to a subsidiary company	1,674	909
Handling fees received and receivable from a subsidiary company	171	959
Related logistic services paid and payable to a subsidiary company	139	202
Related logistic services received and receivable from a subsidiary company	1,378	1,414
Rental of premises received from a subsidiary company	866	-
Rental of premises paid and payable to a subsidiary company	3,187	1,889
Rental of trucks received and receivable from subsidiary company	707	704
Interest received and receivable from subsidiary companies	533	330
Disposal of property, plant and equipment to subsidiary companies	60	-

Transaction with immediate holding company

Related logistic services received and receivable	36,731	27,100
Related logistic services paid and payable	21,384	15,244
Management services fee paid and payable	4,424	6,518
IT fees paid and payable	105	-

Transaction with related companies

Related logistic services received and receivable	75,625	46,375
Related logistic services paid and payable	80,767	39,755
IT fees paid and payable	1,210	1,182

Transaction with associated company

Rental of premises paid	752	-
Accounting fee received from an associated company	-	10

Transaction with joint venture company

Related logistic services received and receivable	475	1,659
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Transaction with corporate shareholder of subsidiary company

Repayment to corporate shareholder of subsidiary company	293	301
Interest paid and payable	133	71

6 month ended	
30.09.2021 RM'000	30.09.2020 RM'000
150	153
17,827	15,010
170	133
1,674	909
171	959
139	202
1,378	1,414
866	-
3,187	1,889
707	704
533	330
60	-
36,731	27,100
21,384	15,244
4,424	6,518
105	-
75,625	46,375
80,767	39,755
1,210	1,182
752	-
-	10
475	1,659
293	301
133	71

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

B1. Performance Review : Year-to-date April 2021-September 2021 vs Year-to-date April 2020-September 2020

	6 months ended			
	30.09.2021	30.09.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	605,565	408,022	197,543	48.4%
Profit from operations	51,590	28,525	23,065	80.9%
Profit before Interest and tax	52,036	28,403	23,633	83.2%
Profit before taxation	45,307	20,825	24,482	117.6%
Profit after taxation	32,400	14,794	17,606	119.0%
Profit Attributable to Ordinary Equity Holders of the Parent	31,453	13,338	18,115	135.8%

The Group achieved revenue of RM605.6 million for the financial period ended ("FPE") 30 September 2021 as against RM408.0 million, an increase of RM197.5 million (48.4 per cent) year-on-year ("y-o-y"). Both International Business Solutions ("IBS") and Domestic Business Solutions ("DBS") segments recorded y-o-y uplifted revenues, reflecting the broad-based recovery of business activities amid the Covid19 pandemic. Revenue from International Business Solutions ("IBS") posted an increase of RM116.5 million (71.0 per cent) from RM164.1 million to RM280.6 million y-o-y. Revenue from Domestic Business Solutions ("DBS") segment remained robust by recording a 33.2 per cent (RM81.0 million) increase in revenue from RM243.9 million to RM324.9 million y-o-y.

Container shortages and issues of ports congestion as well as truck drivers and other resources continued to drive up sea freight rates. It prompted some customers to source alternative to ship their cargo from sea mode to air mode. This resulted both Ocean Freight Forwarding ("OFF") and Air Freight Forwarding ("AFF") divisions under IBS segment to post soaring revenue. Within IBS segment, y-o-y revenue of Ocean Freight Forwarding ("OFF") division to rise significantly by RM55.7 million (119.1 per cent), from RM46.8 million to RM102.5 million while y-o-y Air Freight Forwarding ("AFF") division posted an increase of RM60.8 million (51.8 per cent), from RM117.3 million to RM178.1 million. In addition to elevated sea freight rates, increase in business volume of existing aerospace, aluminium and business equipment customers as well as newly secured rubber glove, F&B and solar energy customers also contributed to the escalated revenue of OFF division. Increase in AFF revenue was largely contributed from automotive, semiconductor, capacitor, healthcare, aerospace, business equipment, synthetic resin and chemical customers.

The reopening up of the economy in stages pursuant to the post-MCO National Recovery Plan as announced by the government also helped to drive up domestic and export activities. All businesses under DBS segment recorded y-o-y surge in revenue. Revenue of Contract Logistics division ("CL") business hiked from RM151.3 million to RM218.6 million, a y-o-y increase of RM67.3 million (44.5 per cent). Within CL division, newly secured food manufacturing customer coupled with increased cargo and shipments volume of existing E&E, solar panel, musical instrument, semiconductor, flooring/timber products and consumer retail customers helped to push all businesses of CL division to record y-o-y surge in revenue. Revenue of customs clearance business rose by RM41.1 million (66.5 per cent), from RM61.7 million to RM102.8 million. Revenue of haulage business was up by RM6.9 million (25.6 per cent). Revenue of warehouse business surged from RM51.6 million to RM69.4 million, an increase of RM17.8 million (34.4 per cent). Increase in warehouse revenue was also attributable to increased demand for warehouse space as Covid19 pandemic prompted many manufacturers to source for additional storage space as contingency plan and for higher stock buffer. Revenue of in-plant business also did well to rise by RM1.6 million (14.0 per cent). The Cold Supply Chain ("CSC") division continued to contribute consistent revenue to DBS segment by posting an increase of RM5.1 million (8.2 per cent), due particularly to ice-cream and poultry & meat businesses. Increase in new customers in healthcare, food manufacturing, E&E and fast food chain coupled with increased deliveries of existing E&E, consumer retail, automotive as well as cross-border Thailand and Singapore trucking services drove revenue of Trucking division higher from RM30.5 million to RM39.2 million, a y-o-y increase of RM8.7 million (28.5 per cent).

The company posted more than two-fold rise in profits for the year-to-date ended 30 September 2021. Profit from operations surged by RM23.1 million (80.9 per cent) from RM28.5 million to RM51.6 million y-o-y. Profit before taxation ("PBT") for the year-to-date ended 30 September 2021 soared from RM20.8 million to RM45.3 million, an increase of RM24.5 million (117.6 per cent), and profit after tax ("PAT") for the period to-date went up from RM14.8 million to RM32.4 million (119.0 per cent) y-o-y.

With a increase in revenue in IBS segment, y-o-y PBT of IBS segment surged by 137.6 per cent (RM11.6 million), from RM8.5 million to RM20.1 million. Within IBS, PBT generated from AFF division increased from RM8.5 million to RM16.0 million, an increase of RM7.4 million (87.2 per cent). OFF division posted a sharp increase in PBT of RM4.2 million (5831.0 per cent) from loss of RM0.07 million to RM4.1 million on the back of increased revenue and higher profit margin of long haul shipments. Similarly, y-o-y PBT of DBS segment was also uplifted by RM11.4 million (69.3 per cent), from RM16.5 million to RM28.0 million, largely contributed from CL and Trucking divisions. PBT of CL division rose by RM11.7 million (93.5 per cent), from RM12.4 million to RM24.3 million, mainly contributed from custom clearance, haulage and warehouse businesses. Trucking division registered a smaller loss of RM1.5 million and improved its bottom line by RM1.0 million (64.5 per cent). However, the PBT was partially offset by PBT drop in CSC division of RM0.5 million (29.7 per cent). Drop in PBT of CSC division was mainly attributable to increased non-operating expenses of loss on disposal of PPE and reduced other income and interest received from short-term placement with banks.

Apart from the operating business segments, cost reduction from Support division of RM1.4 million, largely reduction in loan interest and increase in gain on forex, further contributing an improvement on PBT of the company.

**B2. Comparison with Previous Year Corresponding Quarter's Results : July 2021 to September 2021 vs July 2020 to September 2020**

	3 months ended			
	30.09.2021	30.09.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	315,515	229,457	86,058	37.5%
Profit from operations	27,180	19,201	7,979	41.6%
Profit before Interest and tax	27,344	19,092	8,252	43.2%
Profit before taxation	23,933	15,596	8,337	53.5%
Profit after taxation	16,225	11,388	4,837	42.5%
Profit Attributable to Ordinary Equity Holders of the Parent	15,687	10,702	4,985	46.6%

The Group's revenue of the second quarter ended 30 September 2021 ("Q2FY2022") was registered at RM315.5 million, as against revenue of RM229.5 million of the last year quarter ended 30 September 2021. This represents an increase of RM86.1 million (37.5 per cent). Revenue of IBS segment hiked to RM157.5 million from RM87.8 million q-o-q, an increase of RM69.8 million (79.5 per cent) while DBS segment recorded increased sales result by RM16.3 million (11.5 per cent), from RM141.7 million to RM158.0 million q-o-q ("Q2FY2021").

Within the IBS segment, elevated freight rates pushed AFF and OFF divisions to record higher q-o-q revenue in Q2FY2020. Surging ocean freight rates coupled with container shortage and port congestions prompted customers to ship out the shipments from sea mode to air mode. AFF division posted RM40.1 million (64.2 per cent) increase in revenue from RM62.6 million to RM102.7 million, mainly contributed from automotive, healthcare, capacitors, aerospace, business equipments and food ingredient manufacturing customers. OFF recorded sharp rise in revenue from RM25.2 million to RM54.8 million, an increase of RM29.6 million (117.7 per cent) q-o-q underpinned by shipments support from newly secured rubber glove, F&B and solar panel customers and existing aerospace, aluminium, business equipment and plastic compounding manufacturing customers.

Recovery of business activities boosted all businesses of DBS segment to record higher q-o-q revenue. Within DBS segment, revenue of CL division rose by RM11.2 million (12.3 per cent), from RM91.1 million to RM102.3 million. Revenue of Trucking division rose from RM19.9 million to RM20.5 million and RM0.7 million (3.4 per cent) while CSC showed an increase of RM4.4 million (14.3 per cent). Revenue increase in CL was largely contributed from custom clearance and warehouse businesses. Revenue of custom clearance rose from RM37.2 million to RM46.3 million, an increase of RM9.1 million (24.3 per cent), largely contributed from a newly secured food manufacturer customers, existing E&E and wood product customers but the increase was partially offset by shipments drop of solar panel customer. Revenue of Warehouse business rose by RM30.6 million to RM34.7 million, an increase of RM4.1 million (13.4 per cent), largely contributing from a newly secured healthcare customer coupled with increased warehouse space and warehousing activities of existing E&E, automotive parts and musical instruments customers. Haulage and In-plant business posted a decrease of revenue by RM1.9 million (11.3 per cent), from RM16.8 million to RM14.9 million and RM0.5 million (0.8 per cent), from RM6.4 million to RM6.4 million respectively. CSC contributed a q-o-q increase of RM4.4 million (14.3 per cent), from RM30.8 million to RM35.2 million on the back of increased consumer retail, fast food chain, ice cream and confectionery customers. Revenue of Trucking division rose by RM0.6million (3.4 per cent), from RM19.9 million to RM20.5 million on the back of newly secured healthcare and food manufacturing customers.

PBT for Q2FY2022 increased from RM15.6 million to RM23.9 million as against Q2FY2021, an increase of RM8.3 million (53.5 per cent). Correspondingly, PAT for Q2FY2022 rose by RM4.8 million (42.5 per cent) from RM11.4 million to RM16.2 million. IBS segment recorded double-fold PBT from RM5.5 million to RM11.5 million, an increase of RM6.0 million (108.6 per cent) while DBS segment also posted an increase of RM1.0 million (7.8 per cent) from RM12.5 million to RM13.5 million q-o-q.

Within the DBS segment, with revenue hike of CL division, PBT of CL division rose from RM9.9 million to RM11.2 million, representing an increase of RM1.3 million (13.1 per cent). Within CL division, the PBT was largely contributed from warehouse business by RM2.6 million (50.7 per cent), but it was offset by PBT drop in custom clearance, haulage and in-plant businesses by RM0.5 million (36.7 per cent), RM0.2 million (10.4 per cent) and RM0.6 million (53.8 per cent) respectively. Increase in PBT of CL division was partially offset by PBT drop in CSC and Trucking divisions. CAC recorded PBT drop of RM0.09 million (3.6 per cent) while Trucking division reported a decrease of RM0.2 million (262.0 per cent) q-o-q.

Apart from PBT of the above operating business segments, reduction in non-operating and general expenses of RM1.3 million (54.4 per cent) from Support division, largely attributable to reduced finance costs and cost control measures on administrative and general expenses, contributed to the increase of PBT q-o-q.

**B3. Comparison with Preceding Quarter's Results: July 2021 to September 2021 vs April 2021 to June 2021**

	3 months ended			
	30.09.2021	30.06.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	315,515	290,050	25,465	8.8%
Profit from operations	27,180	24,410	2,770	11.3%
Profit before Interest and tax	27,344	24,692	2,652	10.7%
Profit before taxation	23,933	21,374	2,559	12.0%
Profit after taxation	16,225	16,175	50	0.3%
Profit Attributable to Ordinary Equity Holders of the Parent	15,687	15,766	(79)	-0.5%

The Group's revenue of the second quarter ended 30 September 2021 ("Q2FY2022") was registered at RM315.6 million, as against revenue of RM290.0 million of the preceding quarter ended 30 June 2021 ("Q1FY2022"). This represents an increase of RM25.5 million (8.8 per cent). IBS segment posted an increase of RM34.4 million (27.9 per cent) while DBS segment recorded sales drop by RM8.9 million (5.4 per cent) as against Q1FY2022.

Within the IBS segment, recovery and resumption of business from temporary closure of major customers experienced in Q1FY2022 coupled with global container shortages and ports congestion issues which prompted customers to ship cargo from sea mode to air mode. Hence, revenue of AFF division to surge from RM75.3 million to RM102.7 million which an increase of RM27.3 million (36.4 per cent). Revenue hike was largely contributed from automotive, healthcare, aerospace, interconnector manufacturing customers. OFF revenue rose from RM47.8 million to RM54.8 million, an increase of RM7.0 million (14.7 per cent) underpinned by soaring sea freight rates resulting from shortage of containers and port congestion particularly in US. Increase in OFF revenue was mainly contributed by aerospace, E&E, plastic compounding customers and newly secured F&B & healthcare customers.

Within DBS segment, significant decline in export shipments of major solar panel customers in Q2FY2022 led to reduced revenue of CL division, particularly in custom clearance and haulage businesses, to drop from RM116.3 million to RM102.3 million, a drop of RM14.0 million (12.0 per cent) against Q1FY2022. Within CL division, revenue of clearance and haulage reduced by RM10.2 million (18.0 per cent) and RM3.8 million (20.5 per cent) respectively. Revenue of warehouse and in-plant businesses rose marginally by RM0.02 million (0.1 per cent) and RM0.02 million (0.3 per cent) respectively. Revenue drop in CL business was partially cushioned by CSC and Trucking divisions. Revenue contribution from CSC division remained consistent by posting an increase of RM3.1 million (9.8 per cent), from RM32.0 million to RM35.2 million, underpinned by rising volume of consumer retail, ice cream, poultry and fast food chain customers against Q1FY2022. Revenue of Trucking division rose from RM18.6 million to RM20.5 million, an increase of RM1.9 million (10.2 per cent), mainly contributing from healthcare customers.

PBT for Q2FY2022 was up from RM21.4 million to RM23.9 million as against Q1FY2022, an increase of RM2.6 million (12.0 per cent). IBS segment recorded an increase of RM3.0 million (35.0 per cent) from RM8.5 million to RM11.5 million. DBS segment posted a decline in PBT by RM0.9 million (6.2 per cent), from RM14.4 million to RM13.5 million.

Within IBS segment, PBT of AFF division surged by 55.9 per cent (RM3.5 million), from RM6.2 million to RM9.7 million on the back of improved revenue benefiting from sea ports congestion and soaring sea freight rates against Q1FY2022. OFF division experienced a drop of RM0.5 million (21.6 per cent), from RM2.3 million to RM1.8 million against Q1FY2022 resulting from competitive profit margin of secured business.

Within DBS segment, CSC division contributed an increase of PBT of RM0.8 million (45.1 per cent) on the back of increased revenue in Q2FY2022. Trucking division posted improved bottom line by RM0.3 million (65.7 per cent) against Q1FY2022. However, the increase was partially offset by PBT drop in CL division. PBT of CL business dropped by RM1.9 million (14.7 per cent). Within CL division, PBT of custom clearance and haulage business decreased by RM1.2 million (59.7 per cent) and RM1.4 million (42.2 per cent) underpinned by lower revenue resulting from aforesaid reasons. In-plant experienced PBT drop of RM0.2 million (24.0 per cent) attributable to increased labour costs as operation started to resume in Q2FY2022. The PBT in CL division was partially offset by increased PBT from warehouse business. Warehouse business contributed to record resilient PBT from RM6.9 million to RM7.8 million, an increase of RM0.9 million (12.8 per cent) against Q1FY2022.

Apart from PBT generated from the above operating business segments, reduction in net non-operating expenses from Support segment by RM0.5 million, largely attributable to gain on disposal of assets, reduced support people costs and other income, contributed to PBT of the Company against the preceding quarter.

B4. Prospects for the Remaining Period to the End of the Financial Year

In the latest World Economic Outlook report ("WEO") released on 12 October 2021, the International Monetary Fund ("IMF") projected the global economy to grow at 5.9 percent in 2021, and moderating to 4.9 percent in 2022. The 2021 global forecast is 0.1 percentage point lower than the forecast in the July 2021 WEO. Gaps in expected recoveries across economy groups have widened since the July forecast, for instance between advanced economies and low-income developing countries. Vaccine access and early policy support are the principal drivers of the gaps. The downward revision reflects a downgrade for advanced economies due partly to supply disruptions, and for low-income developing countries, largely due to worsening pandemic dynamics. Rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. Meanwhile, inflation has increased markedly in the United States and in some emerging market economies. As restrictions are relaxed, demand has accelerated, but supply has been slower to respond. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. Overall, the IMF opines that the balance of risks for growth is tilted to the downside.
(Source: WEO dated 12 October 2021)

On the local front, Bank Negara Malaysia ("BNM") had on 13 October 2021 revised its full year Malaysia GDP growth forecast for 2021 to between 3 to 4 percent, from the previous forecast of between 6 to 7.5 percent. BNM said the downward revision in the annual growth forecast was made after taking into account the reimposition of nationwide containment measures, whereby full lockdown was reimposed from 1 June 2021. According to BNM's statement, Malaysia's economy grew 16.1 percent in 2Q2021 from a year earlier, but contracted 2 percent when measured against the preceding 1Q2021. BNM maintained that the Malaysian economy remains on a recovery path in 2021. While the resurgence of COVID-19 cases and the re-imposition of nationwide containment measures are expected to weigh on growth, the impact will be cushioned by several factors. These include continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will be further supported by policy measures, which will provide cash flow support for affected households and businesses. Going forward, the growth trajectory will depend on the ability to contain the epidemic and materialisation of health outcomes from the nationwide vaccination programme. With the gradual reopening of the economy and more states moving into Phase 4 of the National Recovery Plan, this will provide some lift to household and business sentiments.
(Source: BNM's Economic and Financial Developments in Malaysia in the Second Quarter of 2021 dated 13 October 2021)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as the health of the logistics industry is closely aligned with the economic activity and international trade. More than 1½ years into the pandemic, the COVID-19 crisis has continue to plague the global as well as the domestic economy, although it appears we have a light near the end of the tunnel due to the successful vaccination rollout of our nation as well as in many other countries which are our trade partners. Despite the challenging economic backdrop during the dark moments of the pandemic, our Group has been able to announce uplifted revenue and profits during this period, proving the resilience of our business model. The latest quarterly results has again seen the Group achieved another record high in quarterly revenue and one of the highest in terms of profit for the period. We are also pleased to note that our good performance is achieved on broad-based basis, reflected in the growth of both our IBS as well as DBS since the 3rd financial quarter of the previous FY. Going forward, the gradual reopening up of the global as well as the local economy following the successful vaccination program rollouts of key global and regional economies augur well for our business, as logistics is a business that thrives on economic activities and international business. While the Covid-19 crisis has created certain unique economic circumstances that we were able to leverage on up to a certain extent during the pandemic, our good performance is a result of our solutions-based business model as well as strategic investments which have gestated to bear fruits. Barring any unforeseen surprises, we are cautiously confident of the performance of the Group for the remaining period to the end of the FY. Downside risks for the Group will continue to be the risks posed by the COVID-19 pandemic, especially in view of emerging mutant strains and the resurgence in number of positive cases in countries which already have a high vaccination rate in their populations. Other downside risks will be the challenge to keep our operational costs under control. 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 6 months Ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income tax				
- Current tax	(7,057)	(4,574)	(12,675)	(6,800)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(651)	366	(232)	767
- Underprovision in prior years	-	-	-	2
	(7,708)	(4,208)	(12,907)	(6,031)

The Group's effective tax rate for the cumulative 6 months ended 30 September 2021 was above the statutory rate of 24% is mainly due to non-deductible expenses.

**B7. Corporate Proposals**

There was no corporate proposal announced but not completed as at the date of this report.

B8. Borrowing

Hire purchase and finance lease liabilities
Lease liabilities under MFRS 16
Bank loan (unsecured)
Bank loan (secured)
Revolving credit facilities
Amounts owing to corporate shareholder
of subsidiary company

Total borrowings

As at 2nd quarter ended 30.09.2021					
Long term		Short term		Total borrowing	
Denomination in		Denomination in		Denomination in	
Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
-	212	-	128	-	340
-	17,235	-	14,063	-	31,298
-	133,500	-	66,967	-	200,467
-	26,235	-	5,408	-	31,643
-	-	-	-	-	-
-	4,387	-	372	-	4,759
-	181,569	-	86,938	-	268,507

Hire purchase and finance lease liabilities
Lease liabilities under MFRS 16
Bank loan (unsecured)
Bank loan (secured)
Amounts owing to corporate shareholder
of subsidiary company

Total borrowings

As at 2nd quarter ended 30.09.2020					
Long term		Short term		Total borrowing	
Denomination in		Denomination in		Denomination in	
Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
-	-	-	85	-	85
-	2,716	-	6,193	-	8,909
-	200,466	-	24,467	-	224,933
-	30,475	-	5,408	-	35,883
-	4,759	-	372	-	5,131
-	238,416	-	36,525	-	274,941

The above secured bank loan are secured by legal charge over the freehold land, buildings and warehouse of a subsidiary company and are guaranteed by the Company.

B9. Litigation

There was no material litigation pending since 30 September 2021 to the date of this report.

B10. Dividend Proposed

On 27 October 2021, the Board of Directors declared a single-tier dividend of 1.0 sen per ordinary share amounting to RM8,000,000 in respect of financial year ended 31 March 2022. The dividend to be paid on 30 November 2021. The entitlement date for the dividend payment is 12 November 2021.

**B11. Earnings Per Share**

	Cumulative 6 months Ended	
	30.09.2021	30.09.2020
PAT after non-controlling interest (RM'000)	31,453	13,338
Weighted average number of ordinary shares in issue ('000)	800,000	800,000
Earnings per share (sen)	3.93	1.67*
	=====	=====

* For comparative purpose, the earning per share for the period ended 30 September 2020 has been restated to reflect the share split of 4 shares for every 1 existing ordinary shares which was completed on 12 March 2021.

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2021. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

There is no derivative financial instrument for the Group as at 30 September 2021 and 30 September 2020.

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. Profit for the period

	3 months ended		Cumulative 6 months Ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit for the period is arrived at after crediting:				
Interest income	256	281	451	874
Other income	737	(928)	984	983
Gain on disposal of property, plant and equipment	-	287	-	287
Allowance for doubtful debts no longer required	16	818	16	818
Realised foreign exchange gain	-	(298)	-	453
Unrealised foreign exchange gain	1,159	1,108	2,125	1,177
and after charging:				
Interest expenses	3,411	3,496	6,729	7,578
Property, plant and equipment written off	18	-	18	-
Depreciation of property, plant and equipment	7,185	6,844	14,333	14,017
Amortisation of right-of-use assets	3,620	2,281	7,336	4,754
Allowance for doubtful debts	14	138	26	138
Loss on disposal of property, plant and equipment	(255)		27	-
Realised foreign exchange loss	(221)	141	104	141
Unrealised foreign exchange loss	1,303	3,251	2,398	3,251
Loss on derecognition of subsidiary	-		-	825
Loss on disposal of other investment	-	11	-	11

Unless indicated otherwise above, there were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 30 September 2021.