
NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE
FIRST QUARTER ENDED 30 JUNE 2012

Part A – Notes In Compliance with FRS 134

1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2012.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 March 2012, including the new/revised standards mandatory for annual periods beginning on or after 1 April 2012.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the Group’s financial statements for the financial year ended 31 March 2012 was not subject to any qualification.

3. Seasonality or Cyclicity of Operations

The business operations of the Group are subject to the forces of supply and demand and thus, could display cyclical trends.

4. Nature and Amount of Unusual Items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter.

5. Changes in Estimates

There were no changes in the estimates of amounts which give a material effect in the current quarter under review.

6. Segmental Information

The Group's operations comprise the following business segments:

| | |
|-----------|--|
| Shipping | : Provision of marine transportation services |
| Trading | : Trading of goods |
| Logistics | : Total logistic services provider including trading of freight, haulage, lorry and trucking, custom clearance and Inland Port operation |
| Others | : Insurance agency and investment holding |

The results of the Group for the First Quarter Ended 30.06.2012

| | Shipping RM'000 | Trading RM'000 | Logistics RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|-------------------------------|--------------------|-------------------|---------------------|------------------|-----------------------|---------------------|
| Revenue | | | | | | |
| External segment revenue | 7,412 | 1,381 | 19,240 | 21 | - | 28,054 |
| Inter-segment revenue | - | 687 | 589 | 544 | (1,820) | - |
| Total Revenue | <u>7,412</u> | <u>2,068</u> | <u>19,829</u> | <u>565</u> | <u>(1,820)</u> | <u>28,054</u> |
| Results | | | | | | |
| Segment results | 1,251 | 102 | 3,064 | (76) | - | 4,341 |
| Finance costs | | | | | | (274) |
| Interest income | | | | | | 40 |
| Profit before tax | | | | | | <u>4,107</u> |
| Tax expense | | | | | | (234) |
| Profit after tax | | | | | | <u><u>3,873</u></u> |
| Attributable to: | | | | | | |
| Equity holders of the Company | | | | | | 3,854 |
| Minority interest | | | | | | 19 |
| | | | | | | <u><u>3,873</u></u> |

The results of the Group for the First Quarter Ended 30.06.2011

| | Shipping RM'000 | Trading RM'000 | Logistics RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|----------------------------------|--------------------|-------------------|---------------------|------------------|-----------------------|---------------------|
| Revenue | | | | | | |
| External segment revenue | 6,954 | 1,775 | 16,725 | - | - | 25,454 |
| Inter-segment revenue | - | - | 603 | - | (603) | - |
| Total Revenue | <u>6,954</u> | <u>1,775</u> | <u>17,328</u> | <u>-</u> | <u>(603)</u> | <u>25,454</u> |
| Results | | | | | | |
| Segment results | 956 | (22) | 2,492 | (48) | - | 3,378 |
| Finance costs | | | | | | (207) |
| Interest income | | | | | | 58 |
| Profit before tax | | | | | | <u>3,229</u> |
| Tax expense | | | | | | (315) |
| Profit after tax | | | | | | <u><u>2,914</u></u> |
| Attributable to: | | | | | | |
| Equity holders of the Company | | | | | | 2,325 |
| Minority interest | | | | | | 589 |
| | | | | | | <u><u>2,914</u></u> |

7. Debt and Equity Securities

There was no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale / repurchase of treasury shares during the current quarter under review.

8. Dividend Paid

There was no dividend paid in the current quarter under review.

9. Valuation of Property, Plant and Equipment

There was no valuation on property, plant and equipment in the current quarter under review.

10. Changes in Composition of the Group

There was no change in the composition of the Group during the current quarter under review.

11. Changes in Contingent Liabilities and Contingent Assets

There was no change in the contingent liabilities or contingent assets since the end of the last financial year.

12. Subsequent Events

There was no material event subsequent to the end of the current quarter up to the date of this report.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM8.3 million in respect of property, plant and equipment.

14. Related Party Disclosures

The Group has carried out the following recurrent transactions with the related parties during the current quarter under review:

| | Current Year Quarter 30.6.2012 <u>RM'000</u> |
|--|---|
| Companies in which certain Directors have interests: | |
| - revenue from services rendered | 2,384 |
| - container haulage/transportation/logistics service charges payable | 1,140 |
| - forwarding service charges payable | 68 |
| - spare parts payable | 12 |
| - rental expense payable | 8 |
| - rental income receivable | 3 |
| | <hr/> |

Part B – Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad

15. Analysis of Performance

| | Current Year Quarter 30.06.2012 RM'000 | Preceding Year Corresponding Quarter 30.06.2011 RM'000 | Current Year- To-Date 30.06.2012 RM'000 | Preceding Year Corresponding Period 30.06.2011 RM'000 |
|---------------------------------|---|--|--|---|
| <u>Revenue</u> | | | | |
| Shipping | 7,412 | 6,954 | 7,412 | 6,954 |
| Logistics | 19,240 | 16,725 | 19,240 | 16,725 |
| Trading | 1,381 | 1,775 | 1,381 | 1,775 |
| Others | 21 | - | 21 | - |
| Total | <u>28,054</u> | <u>25,454</u> | <u>28,054</u> | <u>25,454</u> |
| <u>(Loss)/Profit before tax</u> | | | | |
| Shipping | 1,230 | 964 | 1,230 | 964 |
| Logistics | 2,838 | 2,304 | 2,838 | 2,304 |
| Trading | 111 | (12) | 111 | (12) |
| Others | (72) | (27) | (72) | (27) |
| Total | <u>4,107</u> | <u>3,229</u> | <u>4,107</u> | <u>3,229</u> |

During the quarter under review, the Group reported an increase in revenue of RM2.60 million as compared to the preceding year corresponding quarter (“corresponding quarter”).

The Group reported a profit before tax of RM4.11 million in the current quarter as compared to a profit before tax of RM3.23 million in the corresponding quarter, an increase of RM0.88 million.

(a) Shipping

Despite the slight improvement in the shipping revenue in the current quarter, the shipping industry is still facing an over-supply of freight spaces, thus depressed freight rates, amidst the sluggish global economy.

The profit before tax of the Shipping segment for the current quarter was RM1.23 million as compared to RM0.96 million in the corresponding quarter, an increase of RM0.27 million.

(b) Logistics

The revenue of the Logistics segment has improved by RM2.52 million from the corresponding quarter. The increase in revenue was contributed by growth in volume from existing customers as well as new customers.

The current quarter profit before tax of the Logistics segment increased by RM0.53 million which is in line with the increase in revenue growth.

(c) Trading

In the corresponding quarter, the main market for our Trading segment was in the Island Nations of the South West Indian Ocean which were affected by the global financial crisis. With the downturn of tourism at these regions, the development of resorts and construction activities declined sharply leading to low demand for construction materials, thus affecting our Trading segment adversely.

The improvement in the profit before tax of the Trading segment during the current quarter was mainly contributed by the local trading activities of the subsidiary acquired in the third quarter of the last financial year.

16. Comparison With Immediate Preceding Quarter

| | Current Year Quarter 30.06.2012 | Preceding Quarter 31.03.2012 |
|--------------------------|---------------------------------------|------------------------------------|
| | RM'000 | RM'000 |
| Revenue | 28,054 | 25,057 |
| Profit/(loss) before tax | 4,107 | (918) |

The Group reported a total revenue of RM28.05 million as compared to RM25.06 million in the immediate preceding quarter. The increase in revenue of RM2.99 million in the current quarter was mainly contributed by the improvement of the Logistics and Shipping segments.

For the current quarter under review, the results of the Group improved from a loss of RM0.92 million in the preceding quarter to RM4.11 million in the current quarter as a result of improved performance by all segments.

17. Prospects

The various strategic measures undertaken by the Board have borne fruits with all segments performing positively during the current quarter.

The Logistics segment which performed to expectation with volume growth during the current quarter is anticipated to continue to perform satisfactorily.

Management expects the Shipping business to remain difficult with the overwhelming imbalance of an over-supply of shipping capacities against demand situation prevailing in the industry. Nonetheless, it will continue with its strategy to focus on sustainable shipping routes in the South East Asian region.

The performance of the Trading segment is expected to develop further with the additional revenue contribution from the newly acquired subsidiaries of the Group.

With all segments of the Group's business reasonably harnessed, together with a programme to constantly review and update the Group's various strategies to strive for cost efficiencies and hence its competitiveness in the business environment, the Board is optimistic that barring any severe disruption of the existing world financial system, an overall satisfactory performance can be anticipated for the remaining period of the current financial year.

18. Variance on Profit Forecast/Guarantee

The Group did not issue any profit forecast for the year and there is no profit guarantee issued by the Group.

19. Income Tax Expense

| | Current Quarter <u>30.06.2012</u> RM'000 | Preceding Year Corresponding Quarter <u>30.06.2011</u> RM'000 |
|--|---|---|
| Current tax expense | 504 | 315 |
| Under/(Over) provision in the previous financial year | <u>(270)</u> | <u>-</u> |
| | <u>234</u> | <u>-</u> |

20. Sales of Unquoted Investments and Properties

Saved as disclosed below, there were no sales of unquoted investments and properties for the current quarter under review.

On 29 May 2012, Guper Integrated Logistics Sdn Bhd, a wholly owned subsidiary of the Company entered into a Sale and Purchase Agreement with VR Star Sdn Bhd for the disposal of a piece of freehold vacant land located on PT 3908, Nilai Industrial Estate, Nilai, Negeri Sembilan, held under Title No. HS(D) 81579 for a total cash consideration of RM3,784,071.

21. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter under review. The Group did not hold any investments in quoted securities as at 31 March 2012.

22. Status of Corporate Proposals

The Company had on 21 May 2012 entered into a conditional Share Sale Agreement for the proposed acquisition of 100% equity interest in Pengangkutan Sekata Sdn Bhd ("Sekata"), comprising 1,500,000 ordinary shares of RM1.00 each for a total cash consideration of RM10,000,000. Upon completion Sekata will become a wholly owned subsidiary of the Company. The proposed acquisition is subject to shareholders' approval at an extraordinary general meeting to be convened.

Save as disclosed in Note 20 and above, there was no other corporate proposal announced during the current quarter under review.

23. Group Borrowings

| | Group ← 30.06.2012 → | | |
|----------------|-------------------------|-----------------|---------------|
| | Current | Non- Current | Total |
| Secured | RM'000 | RM'000 | RM'000 |
| Bank overdraft | 1,627 | - | 1,627 |
| Hire purchase | 107 | 180 | 287 |
| Term loans | 4,465 | 13,562 | 18,027 |
| | <u>6,199</u> | <u>13,742</u> | <u>19,941</u> |

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of issue of this quarterly report.

25. Breakdown of Realised and Unrealised Profits of the Group

| | Current Year Quarter Ended 30/06/2012 RM'000 | Preceding Year Corresponding Quarter Ended 30/06/2011 RM'000 |
|-------------------------------------|---|--|
| Total retained profits of the Group | | |
| - Realised | 33,663 | 54,058 |
| - Unrealised | 4,254 | 1,396 |
| | <u>37,917</u> | <u>55,454</u> |
| Less : Consolidation adjustments | <u>(22,131)</u> | <u>(25,316)</u> |
| As at end of period | <u>15,786</u> | <u>30,138</u> |

26. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report, which in the opinion of the directors would have a material adverse effect on the financial results of the Group.

27. Dividend

No dividend has been proposed for the current quarter under review.

28. Earnings Per Share

The basic earnings per share for the current quarter and cumulative quarters have been calculated based on the Group's profit after tax divided by the weighted average number of ordinary shares outstanding (based on ordinary shares of RM0.50 each).

| | Current Year Quarter <u>30.06.2012</u> | Preceding Year Corresponding Quarter <u>30.06.2011</u> | Current Year-To- Date <u>30.06.2012</u> | Preceding Year Corresponding Quarter <u>30.06.2011</u> |
|--|--|---|---|---|
| Profit attributable to ordinary equity holders of the Company (RM'000) | 3,854 | 2,325 | 3,854 | 2,325 |
| Weighted average number of shares in issue ('000) | 119,851 | 119,925 | 119,851 | 119,925 |
| Basic earnings per share (sen) | 3.21 | 1.94 | 3.21 | 1.94 |

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at end of the financial period under review.

29. Profit Before Tax

| | Current Year Quarter <u>30.06.2012</u> RM'000 | Preceding Year Corresponding Quarter <u>30.06.2011</u> RM'000 | Current Year <u>30.06.2012</u> RM'000 | Preceding Year <u>30.06.2011</u> RM'000 |
|---|---|--|--|--|
| Profit for the period is arrived at after crediting: | | | | |
| Interest income | 40 | 58 | 40 | 58 |
| Other income | 349 | 335 | 349 | 335 |
| Foreign exchange gain | 2 | - | 2 | - |
| Unrealised foreign exchange gain | 29 | - | 29 | - |
| and after charging: | | | | |
| Interest expense | 274 | 207 | 274 | 207 |
| Depreciation | 1,476 | 1,084 | 1,476 | 1,084 |
| Provision for/write off receivables | 608 | - | 608 | - |
| Foreign exchange loss | - | 19 | - | 19 |
| Unrealised foreign exchange loss | - | 18 | - | 18 |

There were no gain or loss on disposal of quoted or unquoted investment or real properties, gain or loss on derivatives or exceptional item for current quarter under review.

30. Authorization for Issue

These unaudited financial statements were authorized for release by the Company in accordance with a resolution of the Directors dated 28 August 2012.