



## Notes to the Interim Financial Report

### Explanatory Notes In Compliance With Financial Reporting Standards ("FRS") 134 Interim Financial Reporting

#### A1. **Basis of Preparation**

This interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 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 (FYE) 31 December 2006. 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 FYE 31 December 2006.

#### A2. **Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the previous year except for the following changes in accounting policies:

On 1 January 2007, the Group and the Company adopted the following new/revised FRSs which are relevant to their operations and effective for financial periods beginning on or after 1 October 2006:

<i>FRS 117</i>	<i>Leases</i>
<i>FRS 124</i>	<i>Related Party Disclosures</i>

The adoption of FRS 124 does not have significant financial impact on the Group. The principal effects of the change in accounting policy resulting from the adoption of FRS 117 is discussed below:

Prior to 1 January 2007, leasehold land was classified as financial lease and the amount of prepaid lease payments were recognised as property within the property, plant and equipment and was stated at cost less accumulated amortisation and impairment losses, if any.

Upon the adoption of FRS 117, leasehold land is classified as operating lease and the amount of prepaid payments for the leasehold land are now classified as prepaid lease payments.

The prepaid lease payments are amortised on a straight-line basis over the remaining period of the leases, which is similar to the depreciation policy when they are treated as property, plant and equipment.

The classifications have applied retrospectively, and accordingly, the comparative figures have been restated as follows:

<b>Balance Sheet</b>	As restated RM'000	As previously stated RM'000
Property, plant and equipment	48,503	54,954
Prepaid lease payments	6,451	-
	=====	=====

The changes in classification have no impact on the income statement of the Group.



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**A3. Audit Report**

The Audit Report of the Group's annual financial statements for the FYE 31 December 2006 was not subjected to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operations generally experience higher volume in the third and fourth quarter of the calendar year which coincide with the festive seasons such as Christmas and Hari Raya during the end of the calendar year.

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during in the current quarter under review except that the Company had issued 25.2 million new ordinary shares of RM1.00 each at an issue price of RM1.10 per ordinary shares and subsequently listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007.

The total proceeds raised from the initial public offering (IPO) was approximately RM27.7 million.

For further details, please refer to the Prospectus issued by the Company on 7 December 2007.

**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 except that the Company had issue 25.2 million new ordinary shares of RM1.00 each at an issue price of RM1.10 per ordinary share and subsequently listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007.

The total proceeds raised from the IPO was approximately RM27.7 million.

For further details, please refer to the Prospectus issued by the Company on 7 December 2007.

**A8. Dividends paid**

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



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**A9. Segmental Reporting**

	<b>Segmental Revenue</b>		<b>Segmental Result (PBT)</b>	
	<b>12 months ended 31.12.2007</b>	<b>12 months ended 31.12.2006</b>	<b>12 months ended 31.12.2007</b>	<b>12 months ended 31.12.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Air Division	148,708	198,286	5,627	8,756
Ocean Division	103,037	77,046	8,346	2,917
Land Division	48,803	49,891	4,300	3,733
International Freight Division	22,984	17,081	1,884	2,023
Others	7,154	12,551	(1,722)	(446)
<b>Total</b>	<b>330,686</b>	<b>354,855</b>	<b>18,435</b>	<b>16,983</b>

**A10. Subsequent Events**

There has not arisen in the interval between 31 December 2007 and the date of this announcement, any item, transaction or event of a material or unusual nature likely to affect substantially the results of the operations of the Company for the FYE 31 December 2007 except for the followings:

- (a) Acquisition of Maya Kekal Sdn Bhd on 11 February 2008;
- (b) Signing of Lease Agreement with Honda (Malaysia) Sdn Bhd on 14 February 2008;
- (c) Acquisition of Precious Fortune Sdn Bhd on 19 February 2008.

**A11. Changes in Composition of the Group**

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

**A12. Contingent Liabilities**

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



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

**B1. Performance Review**

Revenue of RM330.7 million for the FYE 31 December 2007 is lower by RM24.2 million or 7% than that of the FYE 31 December 2006. This is mainly due to decrease in the volume of air cargo handled in 2007 as compared to that of 2006. However, this decrease of revenue was offset by increase in cargo volume handled and the upward revision of quotations in Ocean Division.

Despite lower revenue in 2007, we have achieved profit after taxation of RM13.2 million for the FYE 31 December 2007 which is higher by RM0.8 million or 7% than that of the FYE 31 December 2006. This is mainly due to the revenue mix whereby higher margin division namely Ocean Division has achieved higher sales for the FYE31 December 2007.

**B2. Comparison with preceding Quarter's results**

Revenue of RM88.4 million in the current quarter under review is lower by RM4.0 million or 4% than that of 2006. This is mainly due to decrease in the volume of air cargo handled in 2007 as compared to that of 2006. However, this decrease of revenue was offset by increase in cargo volume handled and the upward revision of quotations in Ocean Division.

Despite lower revenue, we have achieved profit after taxation of RM4.0 million in the current quarter under review which is higher by RM1.7 million or 75% than that of 2006. This is mainly due to the revenue mix whereby higher margin division namely Ocean Division has achieved higher sales in the current quarter under review.

**B3. Prospects for the Next Financial Year**

Although market conditions have remained challenging, the directors are confident that the performance of the group for the rest of the FYE 2008 will be satisfactory.



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

**B4. Profit Forecast**

	Estimated	Unaudited	Variance	
	12 months ended	12 months ended		
	31.12.2007	31.12.2007	RM'000	%
	RM'000	RM'000		
Revenue	325,700	330,686	4,986	2%
Cost of sales	(258,150)	(263,193)	(5,043)	-2%
Gross profit	67,550	67,493	(57)	0%
Group's profit before taxation	16,520	17,722	1,202	7%
Share of profits of association companies	803	734	(69)	-9%
Profit before taxation	17,323	18,456	1,133	7%
Taxation	(4,509)	(5,209)	(700)	-16%
Profit after taxation (PAT)	12,814	13,247	433	3%
Minority Interest (MI)	(14)	(21)	(7)	-50%
PAT after MI	12,800	13,226	426	3%

The Group has overachieved its estimated PATAMI of RM12.8 million (based on the Prospectus issued by the Company on 7 December 2007) by RM0.4 million or 3% to RM13.2 million for the FYE 31 December 2007.

**B5. Tax expense**

	3 months ended		12 months ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
- Malaysia tax	1,777	928	5,497	4,804
Overprovision in prior years	-	-	(288)	(232)
	1,777	928	5,209	4,572

The effective tax rate is higher than the statutory tax rate of 27% for the current quarter under review and for the FYE 31 December 2007 is mainly due to non-deductible expenses.

**B6. Sale of Unquoted Investments and Properties**

There were no disposal of unquoted investments and/or properties for the current quarter under review.



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

**B7. Quoted Investments**

There were no purchases or disposals of any quoted investments during the quarter under review.

Investments in quoted securities as at 31 December 2007 are as follows:

	RM'000
Cost	33
	=====
Book value	33
	=====
Market value	17
	=====

**B8. Corporate Proposals**

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

**B9. Borrowing**

	As At 31.12.2007 RM'000	As At 31.12.2006 RM'000
Short term borrowing (unsecured)	1,480	-
	=====	=====

The borrowing is denominated in Ringgit Malaysia.

**B10. Off Balance Sheet Financial Instruments**

The foreign currency forward contracts outstanding as at 31 December 2007 and 31 December 2006 are as follows:

	<u>Amount to be paid</u>		Average contractual rate	<u>Settlement period</u>	
	JPY'000	Equivalent RM'000		Within 1 year RM'000	2 to 5 years RM'000
31.12.2007					
Trade payables	61,452	1,736	2.825	1,736	-
	=====	=====	=====	=====	=====
31.12.2006					
Trade payables	43,616	1,345	3.084	1,345	-
	=====	=====	=====	=====	=====



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

**B11. Litigation**

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

**B12. Dividend Payable**

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

**B13. Earnings per share**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
PAT after MI (RM'000)	4,007	2,293	13,205	12,381
Weighted average number of ordinary shares in issue ('000)	74,800	74,800	74,800	74,800
Earnings per share (sen)	5.36	3.07	17.65	16.55
	=====	=====	=====	=====

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2007. Accordingly, no diluted earnings per share is presented.