# Trans-Asia Shipping Corporation Berhad (Company No:20218-T)



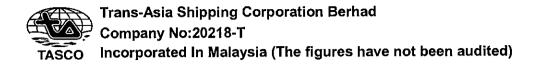
Interim Financial Report for the Financial Quarter ended 30 June 2008

(The figures have not been audited)



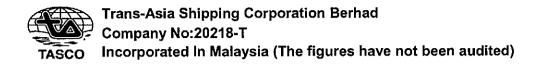
### **QUARTERLY REPORT**

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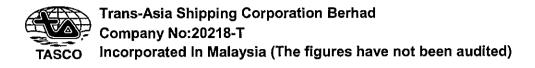


## Condensed Consolidated Income Statement For The Financial Period Ended 30 June 2008

	3 months ended		Cumulative 6 months ended		
	30.06.2008 RM'000 Unaudited	30.06.2007 RM'000 Unaudited	30.06.2008 RM'000 Unaudited	30.06.2007 RM'000 Unaudited	
Revenue	87,005	78,984	167,248	158,523	
Cost of sales	(70,798)	(61,844)	(134,390)	(127,155)	
Gross profit	16,207	17,140	32,858	31,368	
Other operating income	641	225	662	244	
General and administrative expenses	(12,794)	(13,526)	(25,842)	(25,128)	
Profit from operations	4,054	3,839	7,678	6,484	
Investment income	296	159	578	344	
Share of profits of associated companies	116	187	270	420	
Finance costs	(46)	(117)	(113)	(244)	
Profit before taxation	4,420	4,068	8,413	7,004	
Tax expense	(1,162)	(1,164)	(2,344)	(1,929)	
Profit for the period		2,904 = = = = =	6,069		
Attributable to:					
Shareholders of the Company	3,247	2,903	6,012	5,073	
Minority interests	11	1	57	2	
	3,258	2,904 = = = = = =	6,069	5,075 = = = = = =	
Earnings per share (sen) - basic - diluted	3.25 - 	3.88 - ========	6.01	6.78 - ========	



Condensed Consolidated Balance Sheet As At	30 June 2008	
ASSETS	As at 30,06,2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
Non-current assets		
Property, plant and equipment Goodwill Investment in associated companies Other investments Prepaid lease payments	68,125 865 6,835 1,201 10,302	55,372 865 9,098 1,201 6,087
Total non-current assets	87,328	72,623
Current assets		
Inventories Trade receivables Other receivables, deposits and prepayments Amounts owing by associated companies Current tax asset Fixed deposits with a licensed bank Cash and bank balances	139 57,807 3,649 - - - 44,912 14,964 	50 64,195 4,315 984 17 41,173 21,014
Non-current assets classified as held for sale	-  121,471	4,105 135,853
Total current assets	121,471	
TOTAL ASSETS	208,799	208,476



Condensed Consolidated Balance Sheet As At	30 June 2008	
EQUITY AND LIABILITIES	As at 30.06.2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
Equity		
Share capital Share premium Exchange translation reserve Unappropriated profit	100,000 801 10 64,183	100,000 801 10 58,171
Equity attributable to shareholders of the Company	164,994	158,982
Minority interests	300	243
Total equity	165,294	159,225
Non-current liabilities		
Hire purchase and finance lease liabilities Deferred tax liabilities	807 4,199	1,777 2,317
Total non-current liabilities	5,006	4,094
Current liabilities		
Trade payables Other payables, deposits and accruals Amounts owing to associated companies Hire purchase and finance lease liabilities Revolving credits (unsecured) Bank overdraft (unsecured) Current tax liabilities	20,830 11,500 1,527 2,265 - - 2,377	24,443 12,144 1,599 3,695 1,480 - 1,796
Total current liabilities	38,499	45,157
Total liabilities	43,505	49,251 
TOTAL EQUITY AND LIABILITIES	208,799 = = = = = =	208,476 = = = = = =
Net Assets per share (RM)	1.65	2.13



# Trans-Asia Shipping Corporation Berhad

Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended

30 June 2008 (Unaudited)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements

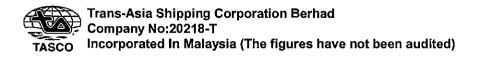
### Condensed Consolidated Cash Flow Statement For The Financial Period Ended 30 June 2008

	6 months ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,413	7,004
Adjustments for:		
Bad and doubtful debts	5	<b>-</b>
Depreciation	3,549	3,613
Gain on disposal of property, plant and equipment	(516)	(24)
Property, plant and equipment written off	2	8
Amortisation of prepaid lease payments	270	35
Share of profits of associated companies	(269)	(421)
Interest income	(578)	(271)
Dividend income	-	(73)
Interest expense	220	244
Operating profit before working capital changes	11,096	10,115
Changes in receivables	11,159	10,692
Changes in payables	(4,394)	(7,018)
Changes in inventories	(89)	14
Cash generated from operations	17,772	13,803
Tax paid	(1,760)	(1,396)
Net cash generated from operating activities	16,012	12,407
•		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,124)	(3,052)
Proceeds from disposal of property, plant and equipment	4,618	13
Additions to prepaid lease payments	(1,614)	-
Acqusition of new subsidiary companies	(6,681)	-
Advances to an assoicated company	-	(349)
Interest received	578	271
Dividends received from other investments	-	73
Net cash used in investing activities	(14,223)	(3,044)



### Condensed Consolidated Cash Flow Statement For The Financial Period Ended 30 June 2008

	6 months ended		
	30.06.2008	30.06.2007	
	RM'000	RM'000	
	Unaudited	Unaudited	
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of revolving credits	(1,480)	-	
Payment of hire purchase and finance lease liabilities	(2,399)	(3,092)	
Interest paid	(220)	(244)	
•			
Net cash used in financing activities	(4,099)	(3,336)	
·			
NET INCREASE IN CASH AND	(2.2.(2)	2.227	
CASH EQUIVALENTS	(2,310)	6,027	
CASH AND CASH EQUIVALENTS			
BROUGHT FORWARD	62,187	36,764	
EFFECT OF EXCHANGE RATE CHANGES	(1)	-	
CASH AND CASH EQUIVALENTS	_		
CARRIED FORWARD	59,876	42,791	
	= = = = = =	=====	
Represented by:			
Fixed deposits with a licensed bank	44,912	24,941	
Cash and bank balances	14,964	17,850	
	59.876	42,791	
	= = = =	======	



### **Notes to the Interim Financial Report**

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

### A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention

These 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 2007. 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 2007.

### A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the previous year except for the following new and revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 2004 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant chagnes in accounting policies of the Group.

### Notes to the Interim Financial Report

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

### A3. Audit Report

The Audit Report of the Group's annual financial statements for the FYE 31 December 2007 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 during 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 interim or final dividends were paid in the current quarter under review.



### Notes to the Interim Financial Report

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

### A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	6 months ended 30.06.2008 RM'000	ended	6 months ended 30.06.2008 RM'000	ended 30,06.2007
	1000	1411 000		1411.000
International Air Freight Division	73,781	75,953	1,811	2,010
Forwarding Division	54,341	45,278	3,953	2,670
Trucking Division	23,883	22,284	1,594	1,795
International SeaFreight Division	12,170	10,275	680	692
Auto Logistics Division	2,144	4,199	(327)	177
International Network				
Solutions Division	929	534	26	25
Other Divisions	-	-	676	(365)
Total	167,248	158,523	8,413	7,004
			========	=========

Note: International Air Freight Division is formerly known as Air Division

Forwarding Division is formerly known as Ocean Division

Trucking Division is formerly known as Land Division

International Sea Freight Division is formerly known as International Freight Division

### A10. Subsequent Events

There was no material event subsequent to the end of the current quarter except for the announcement made on 18 July 2008 regarding an acquisition of a leasehold land located in Perai Penang.

### 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.



### B1. Performance Review

Revenue of RM167.2 million for the financial period ended (FPE) 30 June 2008 is higher by RM8.7 million or 5% than that of the FPE 30 June 2007. This is mainly due to increase in volume handled and new customers secured by the Forwarding Division (previously known as Ocean Division) and International Sea Freight Division (formerly known as International Freight Division) in 2008 as compared to that of 2007.

With the increase of revenue in 2008, the Group achieved profit after taxation of RM6.1 million for FPE 30 June 2008 which is higher by RM1.0 million or 20% than that of the FPE 30 June 2007. This is mainly due to the revenue mix whereby higher margin division namely Forwarding Division has achieved higher sales for the FPE 30 June 2008. In addition, continuous efforts on internal savings has also contributed to increase of the Group's profit after taxation.

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

Revenue of RM87.0 million for the 2nd Quarter of 2008 is higher by RM8.0 million or 10% than that of 2007. This is mainly due to increase in volume handled and new customers secured by the Forwarding Division (previously known as Ocean Division) and International Air Freight Division (formerly known as Air Division) in 2008 as compared to that of 2007.

With the increase of revenue in 2008, the Group achieved profit after taxation of RM3.3 million for the 2nd Quarter of 2008 which is higher by RM0.4 million or 14% than that of the 2nd Quarter of 2008. In addition, continous efforts on internal savings has also contributed to increase of the Group's profit after taxation.

### 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 financial year ending 2008 will be satisfactory.



B4.	Profit Forecast	Unaudited 6 months ended 30.06.2008	Extrapolated to 12 months ending 31.12.2008	Forecast 12 months ending 31.12.2008	Variand	ce
	•	RM'000	RM'000	RM'000	RM'000	%
	Revenue Cost of sales	167,248 (134,390)	334,496 (268,780)	360,967 (284,659)	(26,471) 15,879	-7% 6%
	Gross profit	32,858	65,716	76,308	(10,592)	-14%
	Group's profit before tax	8,143	16,286	19,880	(3,594)	-18%
	Share of profits of associate companies	270	540	612	(72)	-12% 
	Profit before tax Tax	8,413 (2,344)	16,826 (4,688)	20,492 (5,669)	(3,666) 981	-18% 17%
	Profit after tax (PAT) Minority Interest (MI)	6,069 (57)	12,138 (114)	14,823 (23)	(2,685) (91)	-18% -396%
	PAT after MI	6,012	12,024	14,800	(2,776)	-19% =====

Based on the extrapolated results, the Group has not achieved its forecast PAT after MI of RM14.8 million (based on the Prospectus issued by the Company on 7 December 2007) by RM2.8 million for the financial year ending 31 December 2008.

Notwithstanding above, the Group's operations generally experience higher sales and profit in the third and fourth quarter of the calender year. Barring unforeseen circumstances, the Directors are confident taht the performance of the Group for the rest of the financial year ending 31 December 2008 will be satisfactory.

B5.	Tax expense	3 month	s ended	6 month	s_ended
		30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
	Current year tax: - Malaysia tax	1,162	1,164	2,344	1,929
		========	=========	========	=======

The effective tax rate of 28% is higher than the statutory tax rate of 26% for the FYE 31 December 2007 is mainly due to non-deductible expenses.

### B6. Sale of Unquoted Investments and Properties

There were no major disposal of unquoted investments and/or properties for the current quarter under review except for the followings:

- (a) Disposal of leasehold land in Bangi for a cash consideration of RM3.9 million.
- (b) Disposal of two pieces of leasehold land in Melaka for a cash consideration of RM0.7 million.

### B7. Quoted Investments

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

Investments in quoted securities as at 30 June 2008 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

, and the second	As At 30.06.2008 RM'000	As At 31.12.2007 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 30 June 2008 and 31 December 2007 are as follows:

	Amount to be paid		_	Settlement period	
	JPY'000	Equivalent RM'000	Average contractual rate	Within 1 year RM'000	2 to 5 years RM'000
30.06.2008					
Trade payables	42,913	1,314	0.031	1,314	-
	======	======	======	=======	======
31.12.2007					
Trade payables	49,287	1,499	0.030	1,499	-
	======	======	======	=======	======

### 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

	3 months ended		6 month	6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007	
PAT after MI (RM'000)	3,247	2,903	6,012	5,073	
Weighted average number of shares in issue ('000)	100,000	74,800	100,000	74,800	
Earnings per share (sen)	3.25	3.88	6.01	6.78	
=		========	========	=======	

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2008. Accordingly, no diluted earnings per share is presented.