

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



**TASCO**

**Interim Financial Report**  
**for the Financial Quarter ended**  
**30 June 2008**  
**(The figures have not been audited)**



**Trans-Asia Shipping Corporation Berhad**  
**Company No:20218-T**  
**Incorporated In Malaysia**

## **QUARTERLY REPORT**

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Trans-Asia Shipping Corporation Berhad

Company No:20218-T

TASCO Incorporated In Malaysia (The figures have not been audited)

**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	3,258	2,904	6,069	5,075
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	3.25	3.88	6.01	6.78
- diluted	-	-	-	-

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



Trans-Asia Shipping Corporation Berhad

Company No:20218-T

TASCO Incorporated In Malaysia (The figures have not been audited)

Condensed Consolidated Balance Sheet As At 30 June 2008

	As at 30.06.2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	68,125	55,372
Goodwill	865	865
Investment in associated companies	6,835	9,098
Other investments	1,201	1,201
Prepaid lease payments	10,302	6,087
	-----	-----
<b>Total non-current assets</b>	<b>87,328</b>	<b>72,623</b>
	-----	-----
<b>Current assets</b>		
Inventories	139	50
Trade receivables	57,807	64,195
Other receivables, deposits and prepayments	3,649	4,315
Amounts owing by associated companies	-	984
Current tax asset	-	17
Fixed deposits with a licensed bank	44,912	41,173
Cash and bank balances	14,964	21,014
	-----	-----
	121,471	131,748
	-----	-----
Non-current assets classified as held for sale	-	4,105
	-----	-----
<b>Total current assets</b>	<b>121,471</b>	<b>135,853</b>
	-----	-----
<b>TOTAL ASSETS</b>	<b>208,799</b>	<b>208,476</b>
	=====	=====

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



Trans-Asia Shipping Corporation Berhad

Company No:20218-T

TASCO Incorporated In Malaysia (The figures have not been audited)

Condensed Consolidated Balance Sheet As At 30 June 2008

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

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



**Trans-Asia Shipping Corporation Berhad**

Company No:20218-T

**TASCO** Incorporated in Malaysia (The figures have not been audited)

**Condensed Consolidated Statement of Changes in Equity For The Financial Period Ended 30 June 2008 (Unaudited)**

		-----Attributable to shareholders of the Company-----						
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Unappropriated profit RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
Balance at	01 January 2007	45,000	-	11	74,813	119,824	222	120,046
Profit for the year		-	-	-	5,073	5,073	2	5,075
Balance at	30 June 2007	45,000	-	11	79,886	124,897	224	125,121
Balance at	01 January 2008	100,000	801	10	58,171	158,982	243	159,225
Profit for the year		-	-	-	6,012	6,012	57	6,069
Balance at	30 June 2008	100,000	801	10	64,183	164,994	300	165,294

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



**Trans-Asia Shipping Corporation Berhad**  
**Company No:20218-T**

**TASCO** Incorporated In Malaysia (The figures have not been audited)

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

	<b>6 months ended</b>	
	<b>30.06.2008</b>	<b>30.06.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,413	7,004
Adjustments for:		
Bad and doubtful debts	5	-
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
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)	-
Acquisition of new subsidiary companies	(6,681)	-
Advances to an associated company	-	(349)
Interest received	578	271
Dividends received from other investments	-	73
	-----	-----
Net cash used in investing activities	(14,223)	(3,044)
	-----	-----

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



**Trans-Asia Shipping Corporation Berhad**  
**Company No:20218-T**

**TASCO Incorporated In Malaysia (The figures have not been audited)**

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

	<u>6 months ended</u>	
	<u>30.06.2008</u>	<u>30.06.2007</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>Unaudited</u>	<u>Unaudited</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)
	-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,310)	6,027
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	62,187	36,764
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(1)	-
	-----	-----
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	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
	=====	=====

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





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## 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:

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



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## 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	6 months ended 30.06.2007 RM'000	6 months ended 30.06.2008 RM'000	6 months ended 30.06.2007 RM'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)
<b>Total</b>	<b>167,248</b>	<b>158,523</b>	<b>8,413</b>	<b>7,004</b>

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.



**Trans-Asia Shipping Corporation Berhad**  
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**Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia  
Securities Berhad Listing Requirements**

**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 2007. In addition, continuous 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.



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

**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	Variance	
	RM'000	RM'000	RM'000	RM'000	%
Revenue	167,248	334,496	360,967	(26,471)	-7%
Cost of sales	(134,390)	(268,780)	(284,659)	15,879	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	8,413	16,826	20,492	(3,666)	-18%
Tax	(2,344)	(4,688)	(5,669)	981	17%
Profit after tax (PAT)	6,069	12,138	14,823	(2,685)	-18%
Minority Interest (MI)	(57)	(114)	(23)	(91)	-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 calendar year. Barring unforeseen circumstances, the Directors are confident that the performance of the Group for the rest of the financial year ending 31 December 2008 will be satisfactory.

**B5. Tax expense**

	3 months ended		6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	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.



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

**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:

	<b>RM'000</b>
Cost	33
	=====
Book value	33
	=====
Market value	17
	=====

**B8. Corporate Proposals**

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

**B9. Borrowing**

	<b>As At 30.06.2008 RM'000</b>	<b>As At 31.12.2007 RM'000</b>
Short term borrowing (unsecured)	-	1,480
	=====	=====

The borrowing is denominated in Ringgit Malaysia.



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

**B10. Off Balance Sheet Financial Instruments**

The foreign currency forward contracts outstanding as at 30 June 2008 and 31 December 2007 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
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**

	<u>3 months ended</u>		<u>6 months ended</u>	
	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.