

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



TASCO

Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2008



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

QUARTERLY REPORT

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Condensed Consolidated Income Statement
For The Quarter And Year-To-Date Ended 30 September 2008

	3 months ended		Cumulative 9 months ended	
	30.09.2008 RM'000 Unaudited	30.09.2007 RM'000 Unaudited	30.09.2008 RM'000 Unaudited	30.09.2007 RM'000 Unaudited
Revenue	104,948	82,958	272,196	241,481
Cost of sales	(85,759)	(65,507)	(220,149)	(192,662)
Gross profit	19,189	17,451	52,047	48,819
Other operating income	115	222	777	466
General and administrative expenses	(12,836)	(12,009)	(38,678)	(37,137)
Profit from operations	6,468	5,664	14,146	12,148
Investment income	282	171	860	515
Share of profits of associated companies	227	185	497	605
Finance costs	(41)	(102)	(154)	(346)
Profit before taxation	6,936	5,918	15,349	12,922
Tax expense	(1,888)	(1,644)	(4,232)	(3,573)
Profit for the period	5,048	4,274	11,117	9,349
	=====	=====	=====	=====
Attributable to:				
Shareholders of the Company	5,059	4,270	11,071	9,343
Minority interests	(11)	4	46	6
	=====	=====	=====	=====
	5,048	4,274	11,117	9,349
	=====	=====	=====	=====
Earnings per share (sen) - basic	5.06	5.71	11.07	12.49
- 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.



Condensed Consolidated Balance Sheet As At

30 September 2008

ASSETS	As at 30.09.2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
Non-current assets		
Property, plant and equipment	70,933	55,372
Goodwill	865	865
Investment in associated companies	7,063	9,099
Other investments	1,214	1,201
Prepaid lease payments	12,918	6,087
	-----	-----
Total non-current assets	92,993	72,624
	-----	-----
Current assets		
Inventories	93	50
Trade receivables	69,605	64,195
Other receivables, deposits and prepayments	3,441	4,315
Amounts owing by associated companies	-	984
Current tax asset	-	17
Fixed deposits with a licensed bank	35,955	41,173
Cash and bank balances	17,175	21,014
	-----	-----
	126,269	131,748
	-----	-----
Non-current assets classified as held for sale	-	4,104
	-----	-----
Total current assets	126,269	135,852
	-----	-----
TOTAL ASSETS	219,262	208,476
	=====	=====

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 Balance Sheet As At 30 September 2008

	As at 30.09.2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
EQUITY AND LIABILITIES		
Equity		
Share capital	100,000	100,000
Share premium	801	801
Exchange translation reserve	10	10
Unappropriated profit	69,242	58,171
	-----	-----
Equity attributable to shareholders of the Company	170,053	158,982
Minority interests	289	243
	-----	-----
Total equity	170,342	159,225
	-----	-----
Non-current liabilities		
Hire purchase and finance lease liabilities	807	1,777
Deferred tax liabilities	4,225	2,317
	-----	-----
Total non-current liabilities	5,032	4,094
	-----	-----
Current liabilities		
Trade payables	24,256	24,442
Other payables, deposits and accruals	13,644	12,144
Amounts owing to associated companies	1,527	1,599
Hire purchase and finance lease liabilities	2,405	3,695
Revolving credits (<i>unsecured</i>)	-	1,480
Current tax liabilities	2,056	1,797
	-----	-----
Total current liabilities	43,888	45,157
	-----	-----
Total liabilities	48,920	49,251
	-----	-----
TOTAL EQUITY AND LIABILITIES	219,262	208,476
	=====	=====
Net Assets per share (RM)	1.70	1.59
	=====	=====

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 Statement of Changes in Equity For Year-To-Date Ended 30 September 2008 (Unaudited)

		-----Attributable to shareholders of the Company-----						Total equity RM'000
		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	1 January 2007	45,000	-	11	74,813	119,824	222	120,046
Profit for the year		-	-	-	9,343	9,343	6	9,349
Balance at	30 September 2007	45,000	-	11	84,156	129,167	228	129,395
Balance at	1 January 2008	100,000	801	10	58,171	158,982	243	159,225
Profit for the year		-	-	-	11,071	11,071	46	11,117
Balance at	30 September 2008	100,000	801	10	69,242	170,053	289	170,342

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 Year-To-Date Ended 30 September 2008

	Year-To-Date Ended	
	30.09.2008	30.09.2007
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,349	12,922
Adjustments for:		
Bad and doubtful debts	5	-
Depreciation	5,592	5,275
Gain on disposal of property, plant and equipment	(516)	(151)
Property, plant and equipment written off	16	2
Amortisation of prepaid lease payments	388	35
Share of profits of associated companies	(497)	(605)
Interest income	(860)	(515)
Dividend income	-	(73)
Interest expense	154	346
	-----	-----
Operating profit before working capital changes	19,631	17,236
Changes in inventories	(43)	51
Changes in receivables	(4,536)	(6,462)
Changes in payables	1,314	926
	-----	-----
Cash generated from operations	16,366	11,751
Tax paid	(3,944)	(3,405)
	-----	-----
Net cash generated from operating activities	12,422	8,346
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,878)	(3,052)
Proceeds from disposal of property, plant and equipment	4,618	13
Additions to prepaid lease payments	(1,488)	-
Acquisition of subsidiary companies	(6,681)	-
Advance to an associated company	984	(845)
Dividend received from other investment	-	73
Interest received	860	515
	-----	-----
Net cash used in investing activities	(17,585)	(3,296)
	-----	-----

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 Year-To-Date Ended 30 September 2008

	<u>Year-To-Date Ended</u>	
	<u>30.09.2008</u>	<u>30.09.2007</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>Unaudited</u>	<u>Unaudited</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of revolving credits	(1,480)	-
Payment of hire purchase and finance lease liabilities	(2,260)	(3,092)
Interest paid	(154)	(346)
	-----	-----
Net cash generated used in financing activities	(3,894)	(3,438)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,057)	1,612
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	62,187	36,764
	-----	-----
CASH AND CASH EQUIVALENTS CARRIED FORWARD	53,130	38,376
	=====	=====
Represented by:		
Fixed deposits with a licensed bank	35,955	24,213
Cash and bank balances	17,175	14,163
	-----	-----
	53,130	38,376
	=====	=====

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.



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. Adoption of Revised Financial Reporting Standards

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 in the current quarter under review except for the following:

The Group had on 18 July 2008 acquired a 60 year lease expiring on 8 May 2052 over the leasehold land located in Perai Penang together with a factory complex erected thereon for a total purchase consideration of RM10.7 million.

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

	<u>Segmental Revenue</u>		<u>Segmental Result (PBT)</u>	
	<u>9 months ended 30.09.2008</u>	<u>9 months ended 30.09.2007</u>	<u>9 months ended 30.09.2008</u>	<u>9 months ended 30.09.2007</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>International Business Solutions</u>				
International Air Freight Division	119,172	110,072	2,640	3,140
International Sea Freight Division	18,518	16,695	910	1,620
International Network Solutions Division	1,335	743	22	(1)
	<u>139,025</u>	<u>127,510</u>	<u>3,572</u>	<u>4,759</u>
<u>Domestic Business Solutions</u>				
Forwarding Division	87,458	72,768	7,526	5,616
Trucking Division	42,258	35,932	3,621	3,290
Auto Logistics Division	3,455	5,271	64	(113)
	<u>133,171</u>	<u>113,971</u>	<u>11,211</u>	<u>8,793</u>
Others	-	-	566	(630)
Total	<u>272,196</u>	<u>241,481</u>	<u>15,349</u>	<u>12,922</u>

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.

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 (Year-to-date, 2008 vs Year-to-date 2007)

The Group achieved revenue of RM272.2 million for the financial period ended (FPE) 30 September 2008 and it was higher by RM30.7 million or 12.7% than that of 2007. Both International and Domestic Business Solutions had a surge in revenue especially Forwarding Division, International Air Freight Division and Trucking Division which secured new customers and experienced increase in volume handled during the year.

With the increase of revenue in 2008, the Group achieved profit from operations of RM14.1 million for FPE 30 September 2008 which is higher by RM2.0 million or 16.4% than that of 2007. This is mainly due to the revenue mix whereby International Business Solutions experienced lower profit margin due to weaker US dollar and stiffer competition while Domestic Business Solutions improved its profit margin with higher sales. Moreover, continuous efforts on internal savings have also contributed to increase of the Group's profit from operations.

With a strong cash flow of RM53 million and low gearing ratio of 2%, the Group achieved higher interest income and lower financing costs for FPE 30 September 2008.

Overall, the Group achieved 19% increase in both Profit before taxation of RM15.3 million and Profit after taxation of RM11.1 million for FPE 30 September 2008.

B2. Comparison with preceding Quarter's results (Quarter 3, 2008 vs Quarter 3, 2007)

The Group achieved revenue of RM104.9 million for the 3rd Quarter of 2008 and it was higher by RM22.0 million or 26.5% than that of 2007. Both International and Domestic Business Solutions had a surge in revenue especially Forwarding Division, International Air Freight Division and Trucking Division which secured new customers and experienced increase in volume handled during the year.

With the increase of revenue in this quarter, the Group achieved profit from operations of RM6.5 million in the 3rd quarter of 2008 which was higher by RM0.8 million or 14.2% than that of 2007. This is mainly due to the revenue mix whereby International Business Solutions experienced lower profit margin due to weaker US dollar and stiffer competition while Domestic Business Solutions improved its profit margin with higher sales.

Overall, the Group achieved approximately 18% increase in both Profit before taxation of RM6.9 million and Profit after taxation of RM5.0 million for the 3rd quarter of 2008.

B3. Prospects for the Remaining Period to the End of the 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.



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

B4. Profit Forecast

	Unaudited 9 months ended 30.09.2008	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	272,196	362,928	360,967	1,961	1%
Cost of sales	(220,149)	(293,532)	(284,659)	(8,873)	-3%
Gross profit	52,047	69,396	76,308	(6,912)	-9%
Group's profit before tax	14,852	19,803	19,880	(77)	0%
Share of profits of associate companies	497	663	612	51	8%
Profit before tax	15,349	20,465	20,492	(27)	0%
Tax	(4,232)	(5,643)	(5,669)	26	0%
Profit after tax (PAT)	11,117	14,823	14,823	(0)	0%
Minority Interest (MI)	(46)	(61)	(23)	(38)	-167%
PAT after MI	11,071	14,761	14,800	(39)	0%

Based on the extrapolated results, the Group has marginally achieved its forecast PAT after MI of RM14.8 million (based on the Prospectus issued by the Company on 7 December 2007) for the financial year ending 31 December 2008.

The Group's operations generally experience higher sales and profit in the 3rd and 4th 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 2008 will be satisfactory.

B5. Tax expense

	3 months ended		Cumulative 9 months ended	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
- Malaysia tax	1,888	1,644	4,232	3,573
	1,888	1,644	4,232	3,573

The Group's effective tax rate of 27.6% is higher than the statutory tax rate of 26% for the current quarter under review is mainly due to non-deductible expenses.



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 disposal of unquoted investments and/or properties for the current quarter under review.

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 September 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

	As At 30.09.2008 RM'000	As At 31.12.2007 RM'000
	=====	=====
Short term borrowing (unsecured)	2,405	5,175
	=====	=====

The borrowing is denominated in Ringgit Malaysia. The comparative figure has been changed to reflect the Group's short term revolving credit of RM1.48 million and short term hire purchase and finance lease liabilities of RM3.70 million as at 31 December 2007.



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 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
30.09.2008					
Trade payables	27,408	901	0.033	901	-
	=====	=====	=====	=====	=====
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>Quarter and Year-To-Date Ended</u>	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
PAT after MI (RM'000)	5,059	4,270	11,071	9,343
Weighted average number of ordinary shares in issue ('000)	100,000	74,800	100,000	74,800
Earnings per share (sen)	5.06	5.71	11.07	12.49
	=====	=====	=====	=====

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