

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



**TASCO**

**Condensed Consolidated Financial Statements**  
**For The Quarter And Year-To-Date Ended**  
**31 December 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 31 December 2008**

	3 months ended		Cumulative 12 months ended	
	31.12.2008 RM'000 Unaudited	31.12.2007 RM'000 Unaudited	31.12.2008 RM'000 Unaudited	31.12.2007 RM'000 Audited
Revenue	94,329	88,363	366,525	329,844
Cost of sales	(62,021)	(69,831)	(282,170)	(262,493)
Gross profit	32,308	18,532	84,355	67,351
Other operating income	224	146	1,001	612
General and administrative expenses	(27,704)	(13,423)	(66,382)	(50,560)
Profit from operations	4,828	5,255	18,974	17,403
Investment income	206	187	1,066	702
Share of profits of associated companies	166	59	663	664
Finance costs	(38)	(89)	(192)	(435)
Profit before taxation	5,162	5,412	20,511	18,334
Tax expense	(1,343)	(1,582)	(5,575)	(5,155)
Profit for the period	3,819	3,830	14,936	13,179
	=====	=====	=====	=====
Attributable to:				
Shareholders of the Company	3,837	3,815	14,908	13,158
Minority interests	(18)	15	28	21
	3,819	3,830	14,936	13,179
	=====	=====	=====	=====
Earnings per share (sen) - basic	3.84	5.09	14.91	17.54
- 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  
Incorporated In Malaysia

Condensed Consolidated Balance Sheet As At

31 December 2008

	As at 31.12.2008 RM'000 Unaudited	As at 31.12.2007 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	102,502	55,372
Goodwill	865	865
Investment in associated companies	7,229	9,099
Other investments	1,215	1,201
Prepaid lease payments	20,588	6,087
	-----	-----
<b>Total non-current assets</b>	<b>132,399</b>	<b>72,624</b>
	-----	-----
<b>Current assets</b>		
Inventories	122	50
Trade receivables	60,543	64,195
Other receivables, deposits and prepayments	2,560	4,315
Amounts owing by associated companies	-	984
Current tax asset	-	17
Fixed deposits with a licensed bank	30,776	41,173
Cash and bank balances	15,349	21,014
	-----	-----
	109,350	131,748
	-----	-----
Non-current assets classified as held for sale	-	4,104
	-----	-----
<b>Total current assets</b>	<b>109,350</b>	<b>135,852</b>
	-----	-----
<b>TOTAL ASSETS</b>	<b>241,749</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**  
**Incorporated In Malaysia**

**Condensed Consolidated Balance Sheet As At**

**31 December 2008**

	As at 31.12.2008 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	73,079	58,171
	-----	-----
Equity attributable to shareholders of the Company	173,890	158,982
Minority interests	271	243
	-----	-----
<b>Total equity</b>	<b>174,161</b>	<b>159,225</b>
	-----	-----
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	912	1,777
Deferred tax liabilities	4,250	2,317
	-----	-----
<b>Total non-current liabilities</b>	<b>5,162</b>	<b>4,094</b>
	-----	-----
<b>Current liabilities</b>		
Trade payables	20,570	24,442
Other payables, deposits and accruals	37,694	12,144
Amounts owing to associated companies	-	1,599
Hire purchase and finance lease liabilities	1,817	3,695
Revolving credits ( <i>unsecured</i> )	-	1,480
Current tax liabilities	2,345	1,797
	-----	-----
<b>Total current liabilities</b>	<b>62,426</b>	<b>45,157</b>
	-----	-----
<b>Total liabilities</b>	<b>67,588</b>	<b>49,251</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>241,749</b>	<b>208,476</b>
	=====	=====
<b>Net Assets per share (RM)</b>	<b>1.74</b>	<b>1.59</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.



**Consolidated Statement of Changes in Equity For Year-To-Date Ended 31 December 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
At 1 January 2007	45,000	-	12	74,813	119,825	222	120,047
Large differences on translating in operation	-	-	(2)	-	(2)	-	(2)
Issue and listing expenses	-	(1,719)	-	-	(1,719)	-	(1,719)
Expense recognised directly in equity	-	(1,719)	(2)	-	(1,721)	-	(1,721)
For the year	-	-	-	13,158	13,158	21	13,179
Recognised (expense)/income for the year	45,000	(1,719)	10	87,971	131,262	243	131,505
Issued ordinary shares	1,110	-	-	(1,110)	-	-	-
100 bonus issue	28,690	-	-	(28,690)	-	-	-
Share issue	25,200	2,520	-	-	27,720	-	27,720
At 31 December 2007	100,000	801	10	58,171	158,982	243	159,225
At 1 January 2008	100,000	801	10	58,171	158,982	243	159,225
For the year	-	-	-	14,908	14,908	28	14,936
At 31 December 2008	100,000	801	10	73,079	173,890	271	174,161

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 to the interim financial statements.



**Condensed Consolidated Cash Flow Statement**  
**For The Year-To-Date Ended 31 December 2008**

	Year-To-Date Ended	
	31.12.2008 RM'000 Unaudited	31.12.2007 RM'000 Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,511	18,334
Adjustments for:		
Bad and doubtful debts	-	5
Depreciation	7,795	7,368
Gain on disposal of property, plant and equipment	(515)	(214)
Property, plant and equipment written off	7	3
Amortisation of prepaid lease payments	491	72
Share of profits of associated companies	(867)	(664)
Interest income	(1,066)	(628)
Dividend income	-	(73)
Interest expense	378	434
	-----	-----
Operating profit before working capital changes	26,734	24,637
Changes in inventories	(73)	34
Changes in receivables	6,376	(5,228)
Changes in payables	20,284	1,280
	-----	-----
Cash generated from operations	53,321	20,723
Tax paid	(4,790)	(4,664)
	-----	-----
Net cash generated from operating activities	48,531	16,059
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(42,056)	(12,460)
Proceeds from disposal of property, plant and equipment	4,618	289
Additions to prepaid lease payments	(14,992)	(350)
Deposit paid for acquisition of leasehold land	-	(165)
Deposit received from disposal of long leasehold land	-	67
Acquisition of subsidiary companies	(6,681)	-
Advance to an associated company	-	(349)
Dividend received from other investment	-	53
Dividend received from an associated company	-	636
Interest received	1,066	628
	-----	-----
Net cash used in investing activities	(58,045)	(11,651)
	-----	-----



**Condensed Consolidated Cash Flow Statement**  
**For The Year-To-Date Ended 31 December 2008**

	<u>Year-To-Date Ended</u>	
	<u>31.12.2008</u>	<u>31.12.2007</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>Unaudited</u>	<u>Audited</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		27,720
Payments for share issue and listing expenses		(1,719)
(Repayment) / drawdown of revolving credits	(1,480)	1,480
Payment of hire purchase and finance lease liabilities	(4,689)	(6,033)
Interest paid	(378)	(434)
	-----	-----
Net cash generated used in financing activities	(6,547)	21,014
	-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(16,061)	25,422
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	62,187	36,764
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(1)	1
	-----	-----
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	46,125	62,187
	=====	=====
Represented by:		
Fixed deposits with a licensed bank	30,776	41,173
Cash and bank balances	15,349	21,014
	-----	-----
	46,125	62,187
	=====	=====





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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. Adoption of Revised Financial Reporting Standards**

The significant accounting policies adopted are consistent with those of the previous year except for the adoption of revised Financial Reporting Standards (FRSs) and Interpretations effective for its financial period beginning on 1 January 2008. These revised FRSs and Interpretations do not have any significant impact on the financial statement of the Group.

At the date of authorisation of these interim financial statements, the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

#### **FRSs and Interpretations**

<i>FRS 4</i>	Insurance Contracts
<i>FRS 7</i>	Financial Instruments: Disclosures
<i>FRS 8</i>	Operating Segments
<i>FRS 139</i>	Financial Instruments: Recognition and Measurement
<i>IC Interpretation 9</i>	Reassessment of Embedded Derivatives
<i>IC Interpretation 10</i>	Interim Financial Reporting and Impairment

The adoption of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS139.



## **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.

#### **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

	<b>Segmental Revenue</b>		<b>Segmental Result (PBT)</b>	
	<b>12 months ended 31.12.2008</b>	<b>12 months ended 31.12.2007</b>	<b>12 months ended 31.12.2008</b>	<b>12 months ended 31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>International Business Solutions</u></b>				
International Air Freight Division	157,797	148,708	3,869	5,625
International Sea Freight Division	24,449	22,983	1,009	1,884
International Network Solutions Division	1,835	1,063	40	41
	<u>184,081</u>	<u>172,754</u>	<u>4,918</u>	<u>7,550</u>
<b><u>Domestic Business Solutions</u></b>				
Forwarding Division	120,893	103,038	9,552	7,754
Trucking Division	57,246	47,961	5,526	4,239
Auto Logistics Division	4,305	6,091	126	(366)
	<u>182,444</u>	<u>157,090</u>	<u>15,204</u>	<u>11,627</u>
Others	-	-	389	(843)
<b>Total</b>	<b><u>366,525</u></b>	<b><u>329,844</u></b>	<b><u>20,511</u></b>	<b><u>18,334</u></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.

### 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.



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## **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 RM366.5 million for the financial year ended (FYE) 31 December 2008 and it was higher by RM36.7 million or 11.1% 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 RM19.0 million for FYE 31 December 2008 which is higher by RM1.6 million or 9.2% than that of 2007. This is mainly due to 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 RM46 million and low gearing ratio of 2%, the Group achieved higher interest income and lower financing costs for FYE 31 December 2008.

Overall, the Group achieved approximately 12% to 13% increase in both Profit before taxation of RM20.5 million and Profit after taxation of RM14.9 million for FYE 31 December 2008.

### **B2. Comparison with preceding Quarter's results (Quarter 4, 2008 vs Quarter 4, 2007)**

The Group achieved revenue of RM94.3 million for the 4th Quarter of 2008 and it was higher by RM5.9 million or 6.7% than that of 2007. Domestic Business Solutions had a surge in revenue especially Forwarding Division and Trucking Division which secured new customers and experienced increase in volume handled during the year.

Despite the increase of revenue by the Domestic Business Solutions in this quarter, the Group achieved a lower profit from operations of RM4.8 million in the 4th quarter of 2008 which was lower by RM0.5 million or 9.4% than that of 2007. This is mainly due to the drop in revenue by the International Business Solutions which was affected by the global economy downturn.

Overall, the Group achieved Profit before taxation of RM5.2 million and Profit after taxation of RM3.8 million for the 4th quarter of 2008.

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

The outlook for the Group's business depends on the performance of the local manufacturing sectors and international trading business which continue to be challenged by the ongoing global financial crisis. We are however positive that the government's stimulus measures would, to some extent, mitigate the adverse impact of the global financial crisis on the domestic economy.

Amist the challenges and uncertainties facing the global and local scenes, we remain focused in our efforts to service our customers with innovative logistics solutions, extensive logistics network and high qualities. While we reinforce our commitment to a cost discipline culture in 2009, we will continue to invest which we believe will deliver long term growth and value.



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

**B4. Profit Forecast**

	Unaudited	Forecast	Variance	
	12 months ended 31.12.2008	12 months ending 31.12.2008	RM'000	%
Revenue	366,525	361,000	5,525	2%
Cost of sales	(282,170)	(284,659)	2,489	1%
Gross profit	84,355	76,341	8,014	10%
Group's profit before tax	19,848	19,880	(32)	0%
Share of profits of associate companies	663	612	51	8%
Profit before tax	20,511	20,492	19	0%
Tax	(5,575)	(5,669)	94	2%
Profit after tax (PAT)	14,936	14,823	113	1%
Minority Interest (MI)	(28)	(23)	(5)	-22%
PAT after MI	14,908	14,800	108	1%

Based on the unaudited results, the Group has 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 ended 31 December 2008.

**B5. Tax expense**

	3 months ended		Cumulative 12 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
- Malaysia tax	1,343	1,582	5,575	5,155
	1,343	1,582	5,575	5,155

The Group's effective tax rate of 27.2% is higher than the statutory tax rate of 26% for the current quarter under review 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 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 31 December 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 31.12.2008 RM'000	As At 31.12.2007 RM'000
	-----	-----
Short term borrowing		
Revolving credits (unsecured)	-	1,480
Hire purchase and finance lease liabilities	1,817	3,695
Long term borrowing		
Hire purchase and finance lease liabilities	912	1,777
	-----	-----
	2,729	6,952
	=====	=====

The borrowing is denominated in Ringgit Malaysia.



**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
31.12.2008					
Trade payables	21,830	854	0.039	854	-
	=====	=====	=====	=====	=====
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>Year-To-Date Ended</u>	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
PAT after MI (RM'000)	3,837	3,815	14,908	13,158
Weighted average number of ordinary shares in issue ('000)	100,000	75,007	100,000	75,007
Earnings per share (sen)	3.84	5.09	14.91	17.54
	=====	=====	=====	=====

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2008. Accordingly, no diluted earnings per share is presented.