

**TASCO Berhad**  
(formerly known as Trans-Asia Shipping Corporation Berhad)  
(Company No:20218-T)



**Condensed Consolidated Financial Statements  
For The Quarter And Year-To-Date Ended  
30 September 2009**



**Condensed Consolidated Income Statement**  
**For The Quarter And Year-To-Date Ended 30 September 2009**

	3 months ended		Cumulative 9 months ended	
	30.09.2009 RM'000 Unaudited	30.09.2008 RM'000 Unaudited	30.09.2009 RM'000 Unaudited	30.09.2008 RM'000 Unaudited
Revenue	78,645	104,948	193,214	272,196
Cost of sales	(59,074)	(85,759)	(147,105)	(220,149)
Gross profit	19,571	19,189	46,109	52,047
Other operating income	(7)	115	511	777
General and administrative expenses	(14,107)	(12,836)	(37,894)	(38,678)
Profit from operations	5,457	6,468	8,726	14,146
Investment income	66	282	350	860
Share of profits of associated companies	160	227	489	497
Finance costs	(55)	(41)	(103)	(154)
Profit before taxation	5,628	6,936	9,462	15,349
Tax expense	3,949	(1,888)	2,880	(4,232)
Profit for the period	9,577	5,048	12,342	11,117
Attributable to:				
Shareholders of the Company	9,564	5,059	12,306	11,071
Minority interests	13	(11)	36	46
	9,577	5,048	12,342	11,117
Earnings per share (sen) - basic	9.56	5.06	12.31	11.07
- diluted	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Balance Sheet As At 30 September 2009**

<b>ASSETS</b>	<b>As at 30.09.2009 RM'000 Unaudited</b>	<b>As at 31.12.2008 RM'000 Audited</b>
<b>Non-current assets</b>		
Property, plant and equipment	102,999	107,590
Goodwill	865	865
Investment in associated companies	6,919	6,430
Other investments	1,225	1,223
Prepaid lease payments	20,296	20,540
<b>Total non-current assets</b>	132,304	136,648
<b>Current assets</b>		
Inventories	155	123
Trade receivables	49,438	57,300
Other receivables, deposits and prepayments	21,381	3,879
Amounts owing by associated companies	-	807
Current tax asset	7,117	1,018
Fixed deposits with a licensed bank	20,094	30,776
Cash and bank balances	16,212	15,658
<b>Total current assets</b>	114,397	109,561
<b>TOTAL ASSETS</b>	246,701	246,209

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Balance Sheet As At**

**30 September 2009**

	As at 30.09.2009 RM'000 Unaudited	As at 31.12.2008 RM'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	100,000	100,000
Share premium	801	801
Revaluation Reserve	1,400	1,400
Exchange translation reserve	(36)	(10)
Unappropriated profit	90,212	77,906
	-----	-----
Equity attributable to shareholders of the Company	192,377	180,097
Minority interests	306	270
	-----	-----
<b>Total equity</b>	<b>192,683</b>	<b>180,367</b>
	-----	-----
<b>Non-current liabilities</b>		
Term Loan (unsecured)	13,160	-
Hire purchase and finance lease liabilities	339	751
Deferred tax liabilities	7,201	6,488
	-----	-----
<b>Total non-current liabilities</b>	<b>20,700</b>	<b>7,239</b>
	-----	-----
<b>Current liabilities</b>		
Trade payables	22,859	23,966
Other payables, deposits and accruals	6,187	30,548
Amounts owing to associated companies	-	1,904
Term Loan (unsecured)	3,360	-
Hire purchase and finance lease liabilities	794	1,978
Current tax liabilities	118	207
	-----	-----
<b>Total current liabilities</b>	<b>33,318</b>	<b>58,603</b>
	-----	-----
<b>Total liabilities</b>	<b>54,018</b>	<b>65,842</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>246,701</b>	<b>246,209</b>
	=====	=====
<b>Net Assets per share (RM)</b>	<b>1.92</b>	<b>1.80</b>
	=====	=====

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**TASCO Berhad**

(formerly known as Trans-Asia Shipping Corporation Berhad)

Company No.:20218-T

Incorporated In Malaysia



**Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30 September 2009 (Unaudited)**

-----Attributable to shareholders of the Company-----

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
Balance at 1 January 2008	100,000	801	-	10	58,171	158,982	243	159,225
Exchange differences on translating foreign operation	-	-	-	(20)	-	(20)	-	(20)
Revaluation reserve arising from acquisition of new subsidiary company	-	-	1,400	-	-	1,400	-	1,400
Adjustment on post-acquisition profit of previously held interest in a subsidiary	-	-	-	-	1,377	1,377	-	1,377
Net income / (expense) recognised directly in equity	-	-	1,400	(20)	1,377	2,757	-	2,757
Profit for the year	-	-	-	-	18,358	18,358	27	18,385
Total recognised (expense)/income for the year	-	-	1,400	(20)	19,735	21,115	27	21,142
Balance at 31 December 2008	100,000	801	1,400	(10)	77,906	180,097	270	180,367
Profit for the period	-	-	-	(26)	12,306	12,280	36	12,316
Balance at 30 September 2009	100,000	801	1,400	(36)	90,212	192,377	306	192,683

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Cash Flow Statement**  
**For The Year-To-Date Ended 30 September 2009**

	Year-To-Date Ended	
	30.09.2009 RM'000 Unaudited	30.09.2008 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,462	15,349
Adjustments for:		
Bad and doubtful debts	-	5
Depreciation	8,518	5,592
Gain on disposal of property, plant and equipment	(968)	(516)
Property, plant and equipment written off	1	16
Amortisation of prepaid lease payments	244	388
Share of profits of associated companies	(639)	(497)
Interest income	(314)	(860)
Dividend income	(37)	-
Interest expense	103	154
Operating profit before working capital changes	16,370	19,631
Changes in inventories	(32)	(43)
Changes in receivables	(8,875)	(4,536)
Changes in payables	(27,192)	1,314
Cash generated from operations	(19,729)	16,366
Tax paid	(2,547)	(3,944)
Net cash generated from operating activities	(22,276)	12,422
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,504)	(15,878)
Proceeds from disposal of property, plant and equipment	1,620	4,618
Additions to prepaid lease payments	-	(1,488)
Purchase of other investment	(3)	-
Acquisition of subsidiary companies	-	(6,681)
Advance to an associated company	-	984
Dividend received from other investment	37	-
Dividend received from an associated company	-	-
Interest received	314	860
Net cash used in investing activities	(2,536)	(17,585)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Cash Flow Statement**  
**For The Year-To-Date Ended 30 September 2009**

	Year-To-Date Ended	
	30.09.2009 RM'000 Unaudited	30.09.2008 RM'000 Unaudited
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of revolving credits	-	(1,480)
Drawdown of Term Loan	16,520	-
Payment of hire purchase and finance lease liabilities	(1,731)	(2,260)
Interest paid	(103)	(154)
Net cash generated used in financing activities	14,686	(3,894)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(10,126)	(9,057)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	46,434	62,187
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(2)	-
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	36,306	53,130
Represented by:		
Fixed deposits with a licensed bank	20,094	35,955
Cash and bank balances	16,212	17,175
	36,306	53,130

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2008. 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 2008.

#### **A2. Adoption of Revised Financial Reporting Standards**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

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.

#### **A3. Audit Report**

The Audit Report of the Group's annual financial statements for the FYE 31 December 2008 was not subjected to any qualification.

#### **A4. Seasonal or Cyclical Factors**

The Group's operations are generally affected by festive seasons.





**Notes to the Interim Financial Report**

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

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

For the Financial Period Ended 30 September 2009, there was no unusual items due to their nature, size or incidence except for the following:

- (a) Acquisition of property from JVC Manufacturing Malaysia Sdn Bhd on 1 July 2009;
- (b) Disposal of property to Greenway Link Sdn Bhd on 7 July 2009; and
- (c) Change of company name to TASCO Berhad on 10 September 2009.

For further details, please refer to the Group's announcements published in Bursa website.

**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.

**A9. Segmental Reporting**

	<u>Segmental Revenue</u>		<u>Segmental Result (PBT)</u>	
	<u>9 months ended</u> <u>30.09.2009</u> <u>RM'000</u>	<u>9 months ended</u> <u>30.09.2008</u> <u>RM'000</u>	<u>9 months ended</u> <u>30.09.2009</u> <u>RM'000</u>	<u>9 months ended</u> <u>30.09.2008</u> <u>RM'000</u>
<b><u>International Business Solutions</u></b>				
International Air Freight Division	68,500	119,172	280	2,640
International Sea Freight Division	14,391	18,518	166	910
International Network Solutions Division	1,581	1,335	167	22
	<u>84,472</u>	<u>139,025</u>	<u>613</u>	<u>3,572</u>
<b><u>Domestic Business Solutions</u></b>				
Forwarding Division	68,030	87,458	6,720	7,526
Trucking Division	38,868	42,258	2,446	3,621
Auto Logistics Division	1,844	3,455	17	64
	<u>108,742</u>	<u>133,171</u>	<u>9,183</u>	<u>11,211</u>
Others	-	-	(334)	566
<b>Total</b>	<u><u>193,214</u></u>	<u><u>272,196</u></u>	<u><u>9,462</u></u>	<u><u>15,349</u></u>



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

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

#### **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, 2009 vs Year-to-date 2008)**

The Group achieved revenue of RM193.2 million for the financial period ended (FPE) 30 September 2009 and it was lower by RM79.0 million or 29% than that of 2008. Both International and Domestic Business Solutions experienced drop in revenue especially International Air Freight Division, Forwarding Division and International Sea Freight Division which were adversely affected by the global financial crisis.

With the decrease of revenue in 2009, the Group achieved profit from operations of RM8.7 million for FPE 30 September 2009 which is lower by RM5.4 million or 38% than that of 2008. This is mainly due to decrease in revenue. On the other hand, continuous efforts on internal savings especially on the general and administrative expenses have contributed positively to the Group's profit from operations.

Despite a drop in Profit Before Taxation by RM5.9 million or 38% to RM9.5 million for FPE 30 September 2009, the Group achieved a higher Profit After Taxation by RM1.2 million or 11% to RM12.3 million for FPE 30 September 2009 due to the entitlement of Investment Tax Allowance (see Note B5 for more details).

### **B2. Comparison with preceding Quarter's results (Quarter 3, 2009 vs Quarter 2, 2009)**

The Group achieved revenue of RM78.6 million for the 3rd quarter ended 30 September 2009 and it was higher by RM17.0 million or 28% than the 2nd quarter ended 30 June 2009. Both International and Domestic Business Solutions experienced increase in revenue of RM7.0 million and RM10.1 million respectively. As compared to 2nd quarter ended 30 June 2009, revenue of our major divisions International Air Freight Division increased by RM6.9 million, Forwarding Division increased by RM7.0 million, Trucking Division increased by RM3.2 million. The increase was mainly due to the surge in volume handled in current quarter especially on the import and export shipments which were badly affected by the global financial crisis in the 1st half of year 2009.

With the increase of revenue in the 3rd quarter of 2009, the Group achieved profit from operations of RM5.5 million for the 3rd quarter of 2009 which is higher by RM2.5 million or 83% than the 2nd quarter ended 30 June 2009. The increase in Group's revenue is the main contributor to the increase in profit from operations.

Comparing to 2nd quarter of 2009, Profit Before Taxation increased by RM2.4 million or 72% to RM5.6 million. Due to the entitlement of Investment Tax Allowance (See Note B5 for more details), Profit After Taxation increased by RM7.2 million or 306% to RM9.6 million for the 3rd quarter of 2009.

### **B3. Prospects for the Remaining Period to the End of the Financial Year**

In view of the global financial and economic crisis, the Group expects the operating environment in the logistics sector to become more challenging and competitive. Notwithstanding this, the Group have experienced some recovery since the 3rd quarter of year 2009 as the production volume has started picking up in the local manufacturing sectors and international trading businesses.

For the remaining period of the year 2009, we foresee the volume handling remain strong in the month of October and November as many manufacturing and trading companies are preparing for the festive season (e.g. Christmas). Based on the historical trend, the Group expects a lower volume in the month of December.



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

**B4. Profit Forecast**

Not applicable as there is no forecast / profit guarantee.

**B5. Tax expense**

	3 months ended		Cumulative 9 months ended	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Income tax				
- current year	(1,645)	(1,862)	(2,345)	(2,324)
- overprovision in prior years (#)	5,938	-	5,938	-
Deferred tax				
- current year	(344)	(26)	(713)	(1,908)
	<u>3,949</u>	<u>(1,888)</u>	<u>2,880</u>	<u>(4,232)</u>
	=====	=====	=====	=====

The Group's effective tax rate of 32% is higher than the statutory tax rate of 25% for the current quarter under review is mainly due to non-deductible expenses.

# The Company is entitled to claim Investment Tax Allowance of 60% on qualifying capital expenditure on property, plant and equipment for 5 years from 29 December 2003 to 28 December 2008. The amount so claimed can be utilised to set off up to 70% of the statutory income and the unutilised Investment Tax Allowance can be carried forward indefinitely. As at 30 September 2009, the Company has submitted claim for the period from 29 December 2003 to 31 December 2007 with tax savings amounted to RM5.9 million.

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

There were no disposal of unquoted investments and/or properties for the current quarter under review except for the disposal of property to Greenway Link Sdn Bhd on 7 July 2009. For further details, please refer to the Group's announcements published in Bursa website.



**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 30 September 2009 are as follows:

Cost	RM'000
	26
	=====
Book value	26
	=====
Market value	13
	=====

**B8. Corporate Proposals**

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

**B9. Borrowing**

	As At 30.09.2009 RM'000	As At 31.12.2008 RM'000
	-----	-----
Short term borrowing		
Hire purchase and finance lease liabilities	794	1,978
Term Loan (unsecured)	3,360	-
Long term borrowing		
Hire purchase and finance lease liabilities	339	751
Term Loan (unsecured)	13,160	-
	-----	-----
	17,653	2,729
	=====	=====

The borrowing is denominated in Ringgit Malaysia except for the term loan which is denominated in US Dollar. The Company has entered into cross currency swap contracts as disclosed in B.10 to hedge against the foreign currency exposures.



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

**B10. Off Balance Sheet Financial Instruments**

To mitigate against the Group's exposure to foreign currency risk of its trade payable, the Group has entered into foreign currency forward contracts with a licensed bank that entitle it to receive in Japanese Yen and oblige it to pay Ringgit Malaysia. The foreign currency forward contracts outstanding as at 30 September 2009 is as follow:

	Amount to be paid		Average contractual rate	Settlement period	
	JPY'000	Equivalent RM'000		Within 1 year RM'000	2 to 5 years RM'000
<b>30.09.2009</b>					
Trade payables					
- foreign currency forward	19,019	731	0.038	731	-
	=====	=====	=====	=====	=====
<b>31.12.2008</b>					
Trade payables					
- foreign currency forward	21,830	854	0.039	854	-
	=====	=====	=====	=====	=====

To hedge against the Group's exposure to foreign currency risk of its term loan, the Group has entered into a cross currency swap contract with a licensed bank that entitle it to receive currency in US Dollar with floating interest rates linked to 1 month BBA LIBOR (British Bankers' Association London Interbank Offered Rate) and oblige it to pay Ringgit Malaysia with floating interest rates linked to 1 month KLIBOR (Kuala Lumpur Interbank Offered Rate). The cross currency swap contract outstanding as at 30 September 2009 is as follow:

	Amount to be paid		Average contractual rate	Settlement period	
	USD'000	Equivalent RM'000		Within 1 year RM'000	2 to 5 years RM'000
<b>30.09.2009</b>					
Term loan					
- cross currency swap	4,675	16,520	3.534	3,360	13,160
	=====	=====	=====	=====	=====

**B11. Litigation**

There was no material litigation pending 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**

**B12. Dividend Payable**

- (i) A tax exempt interim dividend of 4% for the financial year ending 31 December 2009, amounting to RM4,000,000 has been declared by the directors;
- (ii) Amount per share : 4 sen;
- (iii) No interim ordinary dividend has been declared for the previous corresponding financial period ended 30 September 2008;
- (iv) Payment date : 15 December 2009; and
- (v) In respect of deposited securities, entitlement to the interim dividend will be determined based on the Record of Depositors as at the close of business on 26 November 2009.

**B13. Earnings per share**

	3 months ended		Cumulative 9 months ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
PAT after MI (RM'000)	9,564	5,059	12,306	11,071
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	9.56	5.06	12.31	11.07
	=====	=====	=====	=====

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2009. Accordingly, no diluted earnings per share is presented.