

TASCO Berhad
(Company No:20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2010



Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31 December 2010

	3 months ended		Cumulative 12 months ended	
	31.12.2010 RM'000 Unaudited	31.12.2009 RM'000 Unaudited	31.12.2010 RM'000 Audited	31.12.2009 RM'000 Audited
Revenue	124,692	87,416	443,362	280,630
Cost of sales	(97,490)	(69,240)	(349,340)	(216,345)
Gross profit	27,202	18,176	94,022	64,285
Other operating income	1,629	2,419	4,461	2,930
General and administrative expenses	(19,224)	(16,008)	(65,745)	(53,902)
Profit from operations	9,607	4,587	32,738	13,313
Investment income	139	77	414	427
Share of profits of associated companies	130	166	616	655
Finance costs	(274)	(133)	(990)	(236)
Profit before taxation	9,602	4,697	32,778	14,159
Tax expense	(1,129)	(426)	(7,948)	2,454
Profit for the year	8,473	4,271	24,830	16,613
Other Comprehensive Income:				
Exchange differences on translation foreign	(6)	(17)	21	(8)
Fair Value adjustment on cash flow hedge	(249)	(327)	(355)	(327)
Other comprehensive loss for the year, net of tax	(255)	(344)	(334)	(335)
Total Comprehensive Income for the year	8,218	3,927	24,496	16,278
Profit Attributable to:				
Owners of the Company	8,471	4,254	24,776	16,560
Non-Controlling Interest	2	17	54	53
	8,473	4,271	24,830	16,613
Total Comprehensive Income attributable to:				
Owners of the Company	8,216	3,910	24,442	16,225
Non-Controlling Interest	2	17	54	53
	8,218	3,927	24,496	16,278
Basic earnings per share attributable to owners of the Company (sen per share)	8.47	4.25	24.78	16.56

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 31 December 2010

	As at 31.12.2010 RM'000 Audited	As at 31.12.2009 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	160,322	147,456
Goodwill	865	865
Investment in associated company	5,633	6,106
Other investments	1,225	1,225
	-----	-----
Total non-current assets	168,045	155,652
	-----	-----
Current assets		
Inventories	184	55
Trade receivables	62,249	50,105
Other receivables, deposits and prepayments	4,062	3,061
Amounts owing by related companies	9,891	6,240
Current tax asset	4,539	6,218
Fixed deposits with a licensed bank	32,050	19,222
Cash and bank balances	14,877	15,819
	-----	-----
	127,852	100,720
Non-current assets classified as held for sale	-	6,999
	-----	-----
Total current assets	127,852	107,719
	-----	-----
TOTAL ASSETS	295,897	263,371
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 31 December 2010

	As at 31.12.2010 RM'000 Audited	As at 31.12.2009 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedge reserve	(682)	(327)
Exchange translation reserve	3	(18)
Retained profits	112,242	90,466
Equity attributable to owners of the Company	213,764	192,322
Non-controlling interest	377	323
Total equity	214,141	192,645
Non-current liabilities		
Hire purchase and finance lease liabilities	254	280
Long term bank loan	17,459	12,320
Deferred tax liabilities	8,849	6,444
Total non-current liabilities	26,562	19,044
Current liabilities		
Trade payables	22,281	19,695
Other payables, deposits and accruals including derivatives	19,517	24,906
Amounts owing to related companies	5,280	2,662
Amounts owing to associated companies	604	847
Hire purchase and finance lease liabilities	421	569
Bank term loan	7,000	2,887
Current tax liabilities	91	116
Total current liabilities	55,194	51,682
Total liabilities	81,756	70,726
TOTAL EQUITY AND LIABILITIES	295,897	263,371
Net Assets per share (RM)	2.14	1.92

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 31 December 2010

----- A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y -----

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Balance at 1 January 2009	100,000	801	1,400	-	(10)	77,906	180,097	270	180,367
Total comprehensive income for the year	-	-	-	(327)	(8)	16,560	16,225	53	16,278
Dividend	-	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Balance at 31 December 2009	100,000	801	1,400	(327)	(18)	90,466	192,322	323	192,645
Balance at 1 January 2010	100,000	801	1,400	(327)	(18)	90,466	192,322	323	192,645
Total comprehensive income for the year	-	-	-	(355)	21	24,776	24,442	54	24,496
Dividend	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Balance at 31 December 2010	100,000	801	1,400	(682)	3	112,242	213,764	377	214,141

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Cash Flows
For The Year-To-Date Ended 31 December 2010**

	Year-To-Date Ended	
	31.12.2010 RM'000 Audited	31.12.2009 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,778	14,159
Adjustments for:		
Allowance for doubtful debts	-	1,856
Depreciation	13,214	11,319
Gain on disposal of property, plant and equipment	(354)	(2,480)
Gain on disposal of assets held for sales	(639)	-
Property, plant and equipment written off	1,244	124
Amortisation of prepaid lease payments	508	325
Share of profits of associated company, net of tax	(616)	(655)
Interest income	(377)	(393)
Dividend income	(37)	(37)
Interest expense	990	236
Loss on disposal of other investment	-	3
Unrealised gain on foreign exchange	-	(84)
Operating profit before working capital changes	46,711	24,373
Changes in current assets	(15,832)	72
Changes in current liabilities	9,460	(2,154)
Cash generated from operations	40,339	22,291
Tax paid	(3,881)	(2,871)
Net cash generated from operating activities	36,458	19,420
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,166)	(41,499)
Proceeds from disposal of property, plant and equipment	354	17,968
Additions to prepaid lease payment	(1,248)	(17,863)
Proceeds from disposal of asset held for sales	6,000	-
Proceeds from disposal of other investment	-	4
Purchase of other investment	-	(10)
Repayment from an associated company	-	806
Interest received	377	393
Dividend received from other investment	28	27
Dividend received from an associated company	-	980
Net cash used in investing activities	(31,655)	(39,194)



**Condensed Consolidated Statement of Cash Flows
For The Year-To-Date Ended 31 December 2010**

	Year-To-Date Ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
	Audited	Audited
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	18,200	16,800
Repayment of term loan	(6,477)	(1,120)
Repayment to an associated company	-	(1,057)
Payment of hire purchase and finance lease liabilities	(648)	(2,009)
Interest paid	(990)	(236)
Dividend paid	(3,000)	(4,000)
	-----	-----
Net cash generated from financing activities	7,085	8,378
	-----	-----
NET INCREASE/(DECREASE) IN CASH AND CASH	11,888	(11,396)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	35,041	46,434
EFFECT OF EXCHANGE RATE CHANGES	(2)	3
	-----	-----
CASH AND CASH EQUIVALENTS CARRIED FORWARD	46,927	35,041
	=====	=====
Represented by:		
Fixed deposits with a licensed bank	32,050	19,222
Cash and bank balances	14,877	15,819
	-----	-----
	46,927	35,041
	=====	=====

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attach 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 audited 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 figures for the period in the current quarter of 31 December 2010 have not been audited.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended (FYE) 31 December 2009. 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 2009

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 2009 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 July 2009, 1 January 2010 and 1 July 2010. The adoption of these standards, amendments "FRS 101 - and interpretations have no material impact to these interim financial statements except for the adoption of the Presentation of Financial Statements (revised) " which impact the presentation and disclosure aspect of the announcement.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the FYE 31 December 2009 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

A tax exempt final dividend of 3% for the financial year ended 31 December 2009, amounting to RM3,000,000 was approved by the shareholders in the Annual General Meeting on 9 June 2010 and paid on 15 July 2010.



A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	12 months ended 31.12.2010 RM'000	12 months ended 31.12.2009 RM'000	12 months ended 31.12.2010 RM'000	12 months ended 31.12.2009 RM'000
International Business Solutions				
International Air Freight Division	153,664	101,747	2,257	1,118
International Sea Freight Division	29,688	19,441	2,665	(1,889)
International Network Solutions Division	2,292	2,141	162	253
	185,644	123,329	5,084	(518)
Domestic Business Solutions				
Forwarding Division	189,131	100,794	21,792	8,754
Trucking Division	65,920	53,552	7,275	3,845
Auto Logistics Division	2,667	2,955	(1,083)	273
	257,718	157,301	27,984	12,872
Others		-	(290)	1,805
Total	443,362	280,630	32,778	14,159

A10. Subsequent Events

Subsequent to the year-end, the Group awarded contracts with a total value of RM33.2 million to expand its warehousing capacities at its existing facilities.

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 Assets and Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

A13. Capital Commitment

	As at 31.12.2010 RM'000	As at 31.12.2009 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	1,095	5,359



A14. Related Party Disclosures

	12 months ended 31.12.2010 RM'000	12 months ended 31.12.2009 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	484	459
Labour charges paid and payable to subsidiary companies	10,873	7,023
Maintenance charges paid and payable to a subsidiary company	4,299	3,795
Handling fees paid and payable to a subsidiary company	620	432
Related logistic services paid and payable to a subsidiary company	6	6
Related logistic services received and receivable from a subsidiary company	5,936	-
Rental of premises received from a subsidiary company	5	5
Rental of trucks received and receivable from subsidiary company	557	608
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	-	751
Warehouse rental received and receivables from a subsidiary company	558	1,116
	=====	=====
Transaction with related companies		
Related logistic services received and receivable	64,810	34,481
Related logistic services paid and payable	58,901	29,892
Management fee paid and payable	333	186
Consultancy fees paid and payable	520	306
Rental received	233	-
	=====	=====
Transaction with associated company		
Rental of premises paid	1,129	1,128
	=====	=====



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

B1. Performance Review (Year-to-date, 2010 vs Year-to-date 2009)

The Group achieved substantially better results for the financial period ended (FPE) ended 31 December 2010 as compared to the corresponding period in 2009. The Group registered revenue of RM443.3 million in 2010 which represented an increase of RM162.7 million or 58% over that of the corresponding period in 2009. Both International and Domestic Business Solutions experienced increase in revenue, registering increase of 50.5% and 63.8% respectively.

With the increase of revenue in 2010, the Group achieved profit from operations of RM32.7 million for FPE 31 December 2010. This represented an increase of RM19.4 million or 146% over that of the corresponding period in the previous year.

Similarly, profit before taxation for FPE 31 December 2010 surged from RM14.2 million to RM32.7 million, an increase of 130%, while profit for the year went up from RM16.6 million to RM24.8 million, an increase of 50%.

The significantly better results were due to the strong recovery of the economy in 2010 following the financial crisis towards end of 2008 and in 2009, as well as strategic effort to bring in more sales and increase our customer portfolio. The good results were also contributed by our aggressive investments into warehouses in 2008 and 2009 which have started to bear fruits and contribute to our top and bottom lines in 2010.

B2. Comparison with preceding Quarter's results (Quarter 4, 2010 vs Quarter 3, 2010)

The Group achieved revenue of RM124.7 million for the 4th quarter ended 31 December 2010, an increase of RM9.4 million or 8.1% over than the 3rd quarter ended 30 September 2010.

Profit from operations was registered at RM9.6 million for the 4th quarter of 2010, which was higher by RM1.3 million or 16.2% over that of the 3rd quarter ended 30 September 2010.

The Group achieved a profit before taxation of RM9.6 million and a profit for the period of RM8.4 million in 4th quarter of 2010. These represented an increase of 16.6% and 57.8% respectively as compared to the 3rd quarter of 2010.

B3. Prospects for the next financial year

The outlook for the Group's business depends on the performance of the local manufacturing sectors and the international trading business which are dependent on world and regional economies. The world economy in general is continuing its recovery from the financial crisis, whereas the Malaysian and regional economies in particular have shown strong growth in 2010 until todate. Bank Negara recently announced that the GDP growth for 2010 was 7.2% and is projecting a growth of 6% for 2011.

Against this backdrop, we are cautiously optimistic of the prospects for the next financial year. We will continue to remain focused in our effort to service our customers with innovative logistics solution, expand our logistics capacity where appropriate and continue to invest in which we believe will deliver long term growth and value.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

**B5. Tax expense**

	3 months ended		Cumulative 12 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Income tax				
- current tax	(1,086)	(1,391)	(6,666)	(3,736)
- overprovision in prior years	346	208	1,122	6,146
Deferred tax				
- current year	208	757	(1,807)	44
- underprovision in prior years	(597)	-	(597)	-
	<u>(1,129)</u>	<u>(426)</u>	<u>(7,948)</u>	<u>2,454</u>

The effective tax rate of the Group for the periods under review is lower than the statutory tax rate due principally to other income not subject to tax.

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 2010 are as follows:

	RM'000
Cost	<u>26</u>
Book value	<u>26</u>
Market value	<u>16</u>

B8. Corporate Proposals

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

B9. Borrowing

	As at 31.12.2010 RM'000	As at 31.12.2009 RM'000
Short term borrowing		
Hire purchase and finance lease liabilities	421	569
Bank loan (unsecured)	7,000	2,887
Long term borrowing		
Hire purchase and finance lease liabilities	254	280
Bank loan (unsecured)	17,459	12,320
	<u>25,134</u>	<u>16,056</u>

B10. Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at 31 December 2010.

B11. Litigation

There was no material litigation pending since the last annual balance sheet date to the date of this report.

B12. Dividend Payable

In respect of the financial year ended 31 December 2010, the directors recommend a payment of final dividend as follows:-

	<u>Gross (sen)</u> Per Share	<u>Net (sen)</u> Per Share
Tax exempt dividend	4.6	4.6
Franked dividend less 25% tax	4.5	3.4
Total	9.1	8.0

B13. Earnings per share

	<u>3 months ended</u>		<u>Cumulative</u> <u>12 months ended</u>	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
PAT after non-controlling interest (RM'000)	8,471	4,254	24,776	16,560
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	8.47	4.25	24.78	16.56

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2010. Accordingly, no diluted earnings per share is presented.

B14. Derivative Financial Instruments

As at 31 December 2010, the Group has the following outstanding derivative financial instruments:

<u>Derivatives</u>	<u>Contract or</u> <u>Notional</u> <u>Amount</u> <u>RM'000</u>	<u>Fair value</u> <u>net gains or</u> <u>(loses)</u> <u>RM'000</u>	<u>Purpose</u>
1. Cross currency swap Contracts: - More than 3 years	24,459	(94)	For hedging currency risk on bank term loan
2. Forward currency contracts: - Less than 1 year	261	-	For hedging currency risk on payables

For the current quarter under review, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

**B14. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE**

	As at 31.12.2010 RM'000	As at 30.09.2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	126,327	116,488
- Unrealised	(8,440)	(8,051)
	-----	-----
	117,887	108,437
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	2,633	3,592
- Unrealised	-	-
	-----	-----
	120,520	112,029
Less: Consolidation adjustments	(8,278)	(8,258)
	-----	-----
Total group retained profits/(accumulated losses) as per consolidated accounts	=====	=====
	112,242	103,771

**REPORT TO THE BOARD OF DIRECTORS OF
TASCO BERHAD**

**ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 31 DECEMBER 2010**

We have reviewed the accompanying Condensed Consolidated Statement of Financial Position of TASCO Berhad as of 31 December 2010 and the related Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statements of Changes in Equity and Condensed Consolidated Statement of Cash Flows and the selected explanatory notes for the 3 months then ended as set out in pages 1 through 9 (referred to collectively hereinafter as “the Condensed Consolidated Financial Statements”).

The Company’s management is responsible for the preparation and fair presentation of the Condensed Consolidated Financial Statements in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board. Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 -*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Consolidated Interim Financial Statements do not present fairly, in all material respects, the financial position of TASCO Berhad as at 31 December 2010, and of its financial performance and its cash flows for the 3 months then ended in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board.



MAZARS

Kuala Lumpur
23 February 2011