

TASCO Berhad
(Company No:20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 March 2011



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended**

	Quarter and Year-To-Date Ended	
	31.03.2011	31.03.2010
	RM'000	RM'000
	Unaudited	Unaudited
Revenue	118,363	90,679
Cost of sales	(91,963)	(70,866)
	-----	-----
Gross profit	26,400	19,813
Other operating income	497	131
General and administrative expenses	(18,350)	(14,196)
	-----	-----
Profit from operations	8,547	5,748
Investment income	149	67
Share of profits of associated companies	166	167
Finance costs	(257)	(155)
	-----	-----
Profit before taxation	8,605	5,827
Tax expense	(2,120)	(1,671)
	-----	-----
Profit for the period	6,485	4,156
	=====	=====
Other Comprehensive Income:		
Exchange differences on translation foreign operation	(3)	32
Fair Value adjustment on cash flow hedge	119	(296)
	-----	-----
Other comprehensive income/(loss) for the period, net of ta	116	(264)
	-----	-----
Total Comprehensive Income	6,601	3,892
	=====	=====
Profit Attributable to:		
Owners of the Company	6,465	4,141
Non-Controlling Interest	20	15
	-----	-----
	6,485	4,156
	=====	=====
Total Comprehensive Income attributable to:		
Owners of the Company	6,581	3,877
Non-Controlling Interest	20	15
	-----	-----
	6,601	3,892
	=====	=====
Earnings per share (sen) - basic	6.47	4.14
	=====	=====

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position As At

31 March 2011

	As at 31.03.2011 RM'000 Unaudited	As at 31.12.2010 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	165,489	160,322
Goodwill	865	865
Investment in associated company	5,799	5,633
Available-for-Sale investments	1,225	1,225
	-----	-----
Total non-current assets	173,378	168,045
	-----	-----
Current assets		
Inventories	113	184
Trade receivables	59,369	62,249
Other receivables, deposits and prepayments	8,378	4,062
Amounts owing by related companies	8,907	9,891
Current tax asset	4,610	4,539
Fixed deposits with a licensed bank	29,333	32,050
Cash and bank balances	21,299	14,877
	-----	-----
Total current assets	132,009	127,852
	-----	-----
TOTAL ASSETS	305,387	295,897
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position As At

31 March 2011

	As at 31.03.2011 RM'000 Unaudited	As at 31.12.2010 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	(564)	(683)
Exchange translation reserve	-	3
Retained profits	118,707	112,242
	-----	-----
Equity attributable to owners of the Company	220,344	213,763
Non-controlling interest	397	377
	-----	-----
Total equity	220,741	214,140
	-----	-----
Non-current liabilities		
Hire purchase and finance lease liabilities	56	254
Long term bank loan	20,142	17,459
Deferred tax liabilities	8,781	8,849
	-----	-----
Total non-current liabilities	28,979	26,562
	-----	-----
Current liabilities		
Trade payables	28,307	22,281
Other payables, deposits and accruals including derivative	14,497	19,518
Amounts owing to related companies	3,332	5,280
Amounts owing to associated companies	792	604
Hire purchase and finance lease liabilities	474	421
Bank term loan	8,200	7,000
Current tax liabilities	65	91
	-----	-----
Total current liabilities	55,667	55,195
	-----	-----
Total liabilities	84,646	81,757
	-----	-----
TOTAL EQUITY AND LIABILITIES	305,387	295,897
	=====	=====
Net Assets per share (RM)	2.20	2.14
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended **31 March 2011**

----- 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 2010	100,000	801	1,400	(327)	(18)	90,466	192,322	323	192,645
Total comprehensive income for the period			-	(296)	32	4,141	3,877	15	3,892
Balance at 31 March 2010	100,000	801	1,400	(623)	14	94,607	196,199	338	196,537
Balance at 1 January 2011	100,000	801	1,400	(683)	3	112,242	213,763	377	214,140
Total comprehensive income for the period				119	(3)	6,465	6,581	20	6,601
Balance at 31 March 2011	100,000	801	1,400	(564)	-	118,707	220,344	397	220,741

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

31 March 2011

	Year-To-Date Ended	
	31.03.2011 RM'000 Unaudited	31.03.2010 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,605	5,827
Adjustments for:		
Depreciation	3,823	3,111
Gain on disposal of property, plant and equipment	-	(2)
Property, plant and equipment written off	(2)	-
Share of profits of associated company, net of tax	(166)	(218)
Interest income	(147)	(67)
Dividend income	(2)	-
Interest expense	257	156
Operating profit before working capital changes	12,368	8,807
Net Changes in current assets	(376)	(9,841)
Net Changes in current liabilities	(765)	(14,028)
Cash generated from / (used in) operations	11,227	(15,062)
Tax paid	(2,656)	(258)
Net cash generated from/(used in) operating activities	8,571	(15,320)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,864)	(3,915)
Proceeds from disposal of property, plant and equipment	-	200
Interest received	147	67
Dividend received from other investment	2	-
Net cash used in investing activities	(8,715)	(3,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	6,000	18,200
Repayment of term loan	(1,750)	(1,227)
Payment of hire purchase and finance lease liabilities	(145)	(164)
Interest paid	(257)	(156)
Net cash generated from /(used in) financing activities	3,848	16,653
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,704	(2,315)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	46,927	35,041
EFFECT OF EXCHANGE RATE CHANGES	1	(5)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	50,632	32,721
Represented by:		
Fixed deposits with a licensed bank	29,333	15,634
Cash and bank balances	21,299	17,087
	50,632	32,721

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 except for financial derivative which are stated at fair value.

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 figures for the period in the current quarter of 31 March 2011 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 2010. 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 2010.

A2. Adoption of Revised Financial Reporting Standard

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 July 2010 and 1 January 2011. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the FYE 31 December 2010 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

	Segmental Revenue		Segmental Result (PBT)	
	3 months ended 31.03.2011 RM'000	3 months ended 31.03.2010 RM'000	3 months ended 31.03.2011 RM'000	3 months ended 31.03.2010 RM'000
International Business Solutions				
International Air Freight Division	42,889	35,808	57	997
International Sea Freight Division	7,090	6,292	158	631
International Network Solutions Division	681	630	54	53
	50,660	42,730	269	1,681
Domestic Business Solutions				
Forwarding Division	47,862	33,202	6,262	2,646
Trucking Division	17,835	14,206	1,164	1,780
Auto Logistics Division	2,006	541	910	(14)
	67,703	47,949	8,336	4,412
Others	-	-	-	(266)
Total	118,363	90,679	8,605	5,827

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 Assets and Liabilities

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



A13. Related Party Disclosures

	3 months ended 31.03.2011 RM'000	3 months ended 31.03.2010 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	371	142
Labour charges paid and payable to subsidiary companies	6,707	2,559
Maintenance charges paid and payable to a subsidiary company	1,173	984
Handling fees paid and payable to a subsidiary company	143	149
Related logistic services paid and payable to a subsidiary company	6	6
Related logistic services received and receivable from a subsidiary company	2,188	729
Rental of premises received from a subsidiary company	1	1
Rental of trucks received and receivable from subsidiary company	127	152
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	-	200
Warehouse rental received and receivables from a subsidiary company	-	279
	=====	=====
Transaction with related companies		
Related logistic services received and receivable	21,171	15,830
Related logistic services paid and payable	13,448	18,190
Management fee paid and payable	100	87
Consultancy fees paid and payable	38	94
Rental received	75	-
Repair and maintenance services	121	143
	=====	=====
Transaction with associated company		
Rental of premises paid	282	282
	=====	=====



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

B1. Performance Review (Year-to-date, 2011 vs Year-to-date 2010)

The Group achieved significantly better results for the financial period ended ("FPE") 31 March 2011 as compared to the corresponding period in 2010. The Group registered revenue of RM118.4 million for FPE 2011 which represented an increase of RM27.7 million or 30.5% over that of the corresponding period in 2010.

With the increase of revenue in 2011, the Group achieved profit from operations of RM8.5 million for FPE 31 March 2011. This represented an increase of RM2.8 million or 48% over that of the corresponding period in the previous year.

Similarly, profit before taxation for FPE 31 March 2011 surged from RM5.8 million to RM8.6 million, an increase of 48.3%, while profit for the period went up from RM4.2 million to RM6.5 million, an increase of 55%.

The significantly better result was due to the better performance of our Domestic Business Solutions ("DBS"), which posted revenue and profit increase of 41.2% and 88.9% respectively. The substantially better results of DBS was able to offset the lower profit posted by our International Business Solutions ("IBS"), which despite posting higher revenue registered a lower profit due to increasing air freight costs. The better performance of DBS was mainly due to the securing of new key customers as well as volume increase of existing key customers.

B2. Comparison with preceding Quarter's Results (Quarter 1, 2011 vs Quarter 4, 2010)

The Group achieved revenue of RM118.4 million for the 1st quarter ended 31 March 2011, as against revenue of RM124.7 million for the 4th quarter ended 31 December 2010. This represent a drop of RM6.3 million or 5% lower than that of the 4th quarter ended 31 December 2010.

Profit from operations was registered at RM8.5 million for the 1st quarter of 2011, which was lower by RM1.1 million or 11.0% as compared to that of the 4th quarter ended 31 December 2010.

The Group achieved a Profit Before Taxation of RM8.6 million and a profit of RM6.5 million in the 1st quarter of 2011. These represented a decrease of 10.4% and 23.5% respectively as compared to the 4th quarter of 2010.

The adverse comparison is a normal trend in our industry, reflecting the shorter number of working days in Q1 as compared to Q4 due to the shorter month in February as well as various holidays in the first two months of the year. It is also a reflection of the cargo movement trend in the electronic and electrical industry, whereby cargo volume will tend to be higher in Q4 to meet the anticipated year-end demand, as compared to volume in Q1.

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

Bank Negara Malaysia ("BNM") has announced that the Malaysian economy registered a Gross Domestic Product ("GDP") growth of 4.6 per cent for the first quarter of 2011, driven by strong domestic and improved external demand. BNM stated that the moderation in growth was due to external emerging risks, among them, the natural disaster in Japan, the ongoing European Union sovereign debt concern and global inflationary pressures. After having factored in the risk factors, BNM has maintained its forecast of between 5.5 and 6.0 per cent GDP growth for the whole of 2011.

The prospects of the Group's business is very much dependent on the performance of the Malaysian and world economies, which has a direct impact on the health and vibrancy of the local manufacturing sectors and international trade. We remain cautiously optimistic of the prospects of the Group for the rest of the financial year, and we will continue to remain focused in our effort to service our customers with innovative logistics solution and expand our logistics capacity where it is appropriate to do so, after consideration of the risk factors.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax expense

	Quarter and Year-To-Date Ended	
	31.03.2011 RM'000	31.03.2010 RM'000
Income tax		
- current tax	(2,188)	(1,437)
Deferred tax		
- current year	68	(234)
	-----	-----
	(2,120)	(1,671)
	=====	=====

The Group's effective tax rate for the cumulative 3 months ended 31 March 2011 was about the statutory rate of 25%.

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 March 2011 are as follows:

	RM'000
Cost	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	As at
	31.03.2011 RM'000	31.12.2010 RM'000
Short term borrowing		
Hire purchase and finance lease liabilities	474	421
Bank loan (unsecured)	8,200	7,000
Long term borrowing		
Hire purchase and finance lease liabilities	56	254
Bank loan (unsecured)	20,142	17,459
	-----	-----
	28,872	25,134
	=====	=====

B10. Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at 31 March 2011.

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 ordinary dividend has been recommended in this current quarter under review.

B13. Earnings per share

	Quarter and Year-To-Date Ended	
	31.03.2011	31.03.2010
PAT after non-controlling interest (RM'000)	6,465	4,141
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Earnings per share (sen)	6.47	4.14
	=====	=====

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2011. Accordingly, no diluted earnings per share is presented.

B14. Derivative Financial Instruments

As at 31 March 2011, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional Amount RM'000	Fair value net gains or (loses) RM'000	Purpose
1. Cross currency swap Contracts: - More than 3 years	28,342	(248)	For hedging currency risk on bank term loan
2. Forward currency contracts: - Less than 1 year	703	-	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 objective, policies and processes since the previous financial year end.



B15. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	132,597	126,327
- Unrealised	(8,392)	(8,440)
	-----	-----
	124,205	117,887
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	2,799	2,633
- Unrealised	-	-
	-----	-----
	127,004	120,520
Less: Consolidation adjustments	(8,297)	(8,278)
	-----	-----
Total group retained profits/(accumulated losses) as per consolidated accounts	118,707	112,242
	=====	=====

**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 MARCH 2011**

We have reviewed the accompanying Condensed Consolidated Statement of Financial Position of TASCO Berhad as of 31 March 2011 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 8 (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 March 2011, 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 May 2011