

**TASCO Berhad**  
**(Company No: 20218-T)**



**Condensed Consolidated Financial Statements**  
**For The Quarter And Year-To-Date Ended**  
**30 June 2011**



**Condensed Consolidated Statement of Comprehensive Income  
 For The Quarter And Year-To-Date Ended 30 June 2011**

	3 months ended		Cumulative 6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	107,422	112,690	225,785	203,369
Cost of sales	(81,450)	(89,380)	(173,413)	(160,246)
<b>Gross profit</b>	<b>25,972</b>	<b>23,310</b>	<b>52,372</b>	<b>43,123</b>
Other operating income	130	1,795	627	1,926
General and administrative expenses	(16,848)	(15,988)	(35,198)	(30,184)
<b>Profit from operations</b>	<b>9,254</b>	<b>9,117</b>	<b>17,801</b>	<b>14,865</b>
Investment income	219	109	368	176
Share of profits of associated companies	165	164	331	331
Finance costs	(343)	(276)	(600)	(431)
<b>Profit before taxation</b>	<b>9,295</b>	<b>9,114</b>	<b>17,900</b>	<b>14,941</b>
Tax expense	(2,198)	(2,280)	(4,318)	(3,951)
<b>Profit for the period</b>	<b>7,097</b>	<b>6,834</b>	<b>13,582</b>	<b>10,990</b>
<b>Other Comprehensive Income:</b>				
Exchanged differences on translation foreign operation	(36)	1	(39)	33
Fair Value adjustment on cash flow hedge	(6)	64	113	(232)
Other comprehensive income/(Loss) for the period, net of tax	(42)	65	(19)	9
<b>Total Comprehensive Income</b>	<b>7,055</b>	<b>6,899</b>	<b>13,656</b>	<b>10,791</b>
<b>Profit Attributable to:</b>				
Owners of the Company	7,080	6,822	13,545	10,963
Non-Controlling Interest	17	12	37	27
	<b>7,097</b>	<b>6,834</b>	<b>13,582</b>	<b>10,990</b>
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	7,038	6,887	13,619	10,764
Non-Controlling Interest	17	12	37	27
	<b>7,055</b>	<b>6,899</b>	<b>13,656</b>	<b>10,791</b>
Earnings per share (sen) - basic	7	6.82	13.54	10.96

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 30 June 2011**

	Asat 30.06.2011 RM'000 Unaudited	Asat 31.12.2010 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	180,435	160,322
Goodwill	865	865
Investment in associated company	5,964	5,633
Available-for-Sale investments	1,225	1,225
	-----	-----
<b>Total non-current assets</b>	<b>188,489</b>	<b>168,045</b>
	-----	-----
<b>Current assets</b>		
Inventories	103	184
Trade receivables	63,369	62,249
Other receivables, deposits and prepayments	3,753	4,062
Amounts owing by related companies	8,359	9,891
Current tax asset	4,539	4,539
Fixed deposits with licensed bank	32,403	32,050
Cash and bank balances	22,242	14,877
	-----	-----
<b>Total current assets</b>	<b>134,768</b>	<b>127,852</b>
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<b>TOTAL ASSETS</b>	<b>323,257</b>	<b>295,897</b>
	=====	=====

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 30 June 2011

	Asat 30.06.2011 RM'000 Unaudited	Asat 31.12.2010 RM'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedgereserve	(570)	(683)
Exchange translation reserve	(36)	3
Retained profits	117,789	112,242
	-----	-----
Equity attributable to owners of the Company	219,384	213,763
	-----	-----
Non-controlling interest	414	377
	-----	-----
<b>Totalequity</b>	<b>219,798</b>	<b>214,140</b>
	-----	-----
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	324	254
Long term bank loan	25,663	17,459
Deferred tax liabilities	8,484	8,849
	-----	-----
<b>Total non-current liabilities</b>	<b>34,471</b>	<b>26,562</b>
	-----	-----
<b>Current liabilities</b>		
Trade payables	34,150	22,281
Other payables, deposits and accruals	17,053	19,518
Amounts owing to related companies	5,065	5,280
Amounts owing to associated company	886	604
Hire purchase and finance lease liabilities	475	421
Bank term loan	9,400	7,000
Current tax liabilities	1,959	91
	-----	-----
<b>Total current liabilities</b>	<b>68,988</b>	<b>55,195</b>
	-----	-----
<b>Total liabilities</b>	<b>103,459</b>	<b>81,757</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>323,257</b>	<b>295,897</b>
	=====	=====
<b>Net Assets per share (RM)</b>	<b>2.20</b>	<b>2.14</b>
	=====	=====

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 30 June 2011

	Attributable to Owners of the Company		Attributable to Non-Discontrolling Interest		Attributable to Owners of the Company		Attributable to Non-Discontrolling Interest	
	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2010	801	1,400	(327)	90	466	323	192,645	192,645
Total comprehensive income for the period	-	(232)		33	10,963	10,764	27	10,791
Dividend declared			(3,000)					
<b>Balance at 30 June 2010</b>	<b>801</b>	<b>1,400</b>	<b>(559)</b>	<b>15</b>	<b>98,429</b>	<b>203,086</b>	<b>350</b>	<b>203,436</b>
Balance at 1 January 2011	801	1,400	(683)	112	242	377	214,140	214,140
Total comprehensive income for the period			113	1	3,545	37	13,65	13,65
Dividend declared					(7,998)		(7,998)	(7,998)
<b>Balance at 30 June 2011</b>	<b>801</b>	<b>1,400</b>	<b>(570)</b>	<b>117</b>	<b>789</b>	<b>414</b>	<b>219,798</b>	<b>219,798</b>

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 30 June 2011

	Year-To-Date Ended	
	30.06.2011 RM'000 Unaudited	30.06.2010 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	17,900 14,94	1
Adjustments for:		
Bad debts written off	-	69
Depreciation	7,723 6,	437
Gain on disposal of property, plant and equipment	-	(1,850)
Property, plant and equipment written off	(2)	-
Share of profits of associated company, net of tax	(331)	(331)
Interest income	(329)	(140)
Dividend income	(38)	(37)
Interest expense	600	431
<b>Operating profit before working capital changes</b>	<b>25,523 19,52</b>	<b>0</b>
Net changes in current assets	187 (12,0	43)
Net changes in current liabilities	2,125 (9,4	14)
Cash generated from/(used in) operations	27,835 (1,93	7)
Tax paid	(3,433)	(971)
<b>Net cash generated from/(used in) operating activities</b>	<b>24,402 (2,90</b>	<b>8)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(27,196) (19,363	)
Proceeds from disposal of property, plant and equipment	(2)	9,150
Interest received	329	140
Dividend received from other investment	38	37
<b>Net cash used in investing activities</b>	<b>(26,831) (10,036</b>	<b>)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	15,000 18,20	0
Repayment of term loan	(4,000) (2,9	77)
Payment of hire purchase and finance lease liabilities	(259)	(218)
Interest paid	(600)	(431)
<b>Net cash generated from financing activities</b>	<b>10,141 14,57</b>	<b>4</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,712 1,</b>	<b>630</b>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	46,927 35,04	1
EFFECT OF EXCHANGE RATE CHANGES	6	(6)
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>54,645 36,66</b>	<b>5</b>
<b>Represented by:</b>		
Fixed deposits with licensed bank	32,403 18,10	0
Cash and bank balances	22,242 18,56	5
	<b>54,645 36,66</b>	<b>5</b>

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 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 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 cumulative period in the current quarter of 30 June 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 Standards

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.

**A9. Segmental Reporting**

	Segmental Revenue		Segmental Result (PBT)	
	6 months ended		6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
<b>International Business Solutions</b>				
International Air Freight Division	76,757	76,739	(357)	2,576
International Sea Freight Division	14,398	14,294	411	1,325
International Network Solutions Division	1,260	1,191	121	120
	<b>92,415</b>	<b>92,224</b>	<b>175</b>	<b>4,021</b>
<b>Domestic Business Solutions</b>				
Contract Logistics Division	101,063	81,334	6,104	9,019
Trucking Division	32,307	29,811	2,093	3,837
	<b>133,371</b>	<b>111,145</b>	<b>18,197</b>	<b>12,856</b>
Others	-	-	(472)	(1,936)
<b>Total</b>	<b>225,785</b>	<b>203,369</b>	<b>17,900</b>	<b>14,941</b>

**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 balance sheet date to the date of this report.

**A13. Capital Commitment**

	As at 30.06.2011 RM'000	As at 31.12.2010 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	11,453	1,095





## A14. Related Party Disclosures

		6 months ended	
		30.06.2011	30.06.2010
		RM'000	RM'000
<b>Transaction with subsidiary companies</b>			
Rental of trucks paid and payable to subsidiary company		242	233
Labour charges paid and payable to subsidiary companies		5,092	5,619
Maintenance charges paid and payable to subsidiary company		2,281	2,088
Handling fees paid and payable to subsidiary company		301	331
Related logistics services paid and payable to subsidiary company		3	12
Related logistics services received and receivable from subsidiary company		4,700	1,974
Rental of premises received from subsidiary company		2	2
Rental of trucks received and receivable from subsidiary company		253	1,552
Purchase of property, plant and equipment and prepayment from subsidiary companies	idle lease	-	50
Warehouse rental received and receivables from subsidiary company		-	372
=====			
<b>Transaction with related companies</b>			
Related logistics services received and receivable		35,926	30,779
Related logistics services paid and payable		23,696	28,822
Management fees paid and payable		217	74
Consultancy fees paid and payable		48	44
Rental received		150	-
Repair and maintenance services		263	-
=====			
<b>Transaction with associated company</b>			
Rental of premises paid		658	564
=====			



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

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

The Group has achieved significantly better results for the 1st half financial year ended 30 June 2011 ("1HFY11") as compared to the corresponding period in 2010. The Group registered revenue of RM225.8 million for 1HFY11 which represented an increase of RM22.4 million or 11.0% over that of the corresponding period in 2010.

With the increase of revenue in 2011, the Group correspondingly achieved a higher profit from operations of RM17.8 million for 1HFY11 against RM14.9 for the same period last year. This is an increase of RM2.9 million or 19.8% as compared to the corresponding period in the previous year.

Similarly, profit before taxation for 1HFY11 surged from RM14.9 million to RM17.9 million, an increase of 19.8%, while profit for the period went up from RM11.0 million to RM13.6 million, an increase of 23.6%.

The Domestic Business Solutions ("DBS") remained the key driver in our overall better performance for the period, posting revenue and profit increase of 20.0% and 42.0% respectively. The International Business Solutions ("IBS") posted a slight increase in revenue but registered a significant reduction in profits 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 2, 2011 vs Quarter 1, 2011)**

The Group achieved revenue of RM107.4 million for the 2nd quarter ended 30 June 2011 ("2QFY11"), as against revenue of RM118.4 million for the 1st quarter ended 31 March 2011 ("1QFY11"). This represents a drop of RM10.9 million or 9.2% lower than that of the 1QFY11.

Despite lower revenue, profit from operations was registered at RM9.3 million for 2QFY11, which was higher by RM0.71 million or 8.3% as compared to that of 1QFY11. Similarly, Profit Before Taxation of RM9.3 million and profit for the period of RM7.1 million were posted in 2QFY11, representing a 9.4% and 8.0% increase respectively as compared to 1QFY11.

The reduction in revenue in 2QFY11 vis a vis 1QFY11 was due to lower revenue posted by the IBS, in particular air freight business as a result of lower shipping volume by our customers. The lower volume in IBS reflected the adverse impact of supply disruptions due to the natural disaster in Japan in March 2011. Nevertheless, the DBS continues to maintain robust growth and its better profitability especially in the warehousing and haulage sub-sectors accounted for the overall better performance in 2QFY11 as compared to 1QFY11.

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

The global economy continues to be influenced by the European debt crisis and volatile commodity prices. The impact from the recent disaster in Japan is felt by numerous countries, particularly through the manufacturing supply chain. Against this backdrop, economists have expected developing Asia, with its strong domestic demand and rising inflationary pressures, to continue to lead the world economy. However, the recent debt ceiling debacle in the U.S. and the subsequent downgrade of its credit rating has caused uncertainty in the world economy.

In Malaysia, the government has announced that the Malaysian economy registered a Gross Domestic Product ("GDP") growth of 4.6 per cent for 1st quarter of 2011 ("1Q11"). For 2nd quarter of 2011 ("2Q11"), the general consensus is that GDP growth would be between 4.0% to 4.5%. Economists expect that a rebound is expected in 2nd half of 2011 ("2H11") due to the reconstruction of Japan and implementation of ETP projects. The Malaysian Institute of Economic Research has predicted that GDP growth for the whole of 2011 will reach 5.2 per cent year-on-year.

The prospects of the Group's business is very much dependent on the performance of the Malaysian and world economies, which impacts directly on the health and vibrancy of the local manufacturing sectors and international trade. The Group has historically performed better financially in the second half of the year as compared to the first half due to seasonal fluctuations in cargo volume. We have also in July 2011 completed the building up of a 19,000 square meter warehouse in Bangi, which will contribute immediately to our performance as it is utilized for a long-term logistics contract with a key customer. Hence, while mindful of the current economic conditions, we remain hopeful of the prospects of the Group for the rest of the financial year. We will continue to remain focused in our effort to service our customers with innovative logistics solutions and expand our logistics capacity where it is appropriate and also, after due consideration of the risk factors.

**B4. Profit Forecast**

Not applicable as there is no forecast/profit guarantee.

**B5. Tax expense**

	3 months ended		Cumulative 6 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Incometax				
-Currenttax	(2,476)	(1,227)	(4,664)	(2,664)
Deferredtax				
-Currentyear	278	(1,053)	346	(1,287)
	(2,198)	(2,280)	(4,318)	(3,951)

The Group's effective tax rate for the cumulative 6 months ended 30 June 2011 was about the statutory rate of 25%.

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

There were no disposals 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 June 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 30.06.2011 RM'000	As at 31.12.2010 RM'000
Short term borrowing		
Hire purchase and finance lease liabilities	475	421
Bank loan (unsecured)	9,400	7,000
Long term borrowing		
Hire purchase and finance lease liabilities	324	254
Bank loan (unsecured)	25,663	17,459
	35,862	25,134

The borrowings are denominated in Ringgit Malaysia except for the bank term loan which is denominated in USD dollar.

**B10. Off Balance Sheet Financial Instruments**

There are no off balance sheet financial instruments as at 30 June 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**

A tax exempt final dividend of 4.60 sen and franked dividend of 4.53 sen less 25% tax (3.3975 sen net per ordinary share) for the financial year ended 31 December 2010, amounting to RM7,997,504 was approved by the shareholders in the Annual General Meeting on 8 June 2011 and paid on 7 July 2011.

**B13. Earnings per share**

	3 months ended		Cumulative 6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
PAT after non-controlling interest (RM'000)	7,080	6,822	13,545	10,963
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	7.08	6.82	13.54	10.96

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2011. Accordingly, no diluted earnings per share is presented.

**B14. Derivative Financial Instruments**

As at 30 June 2011, the Group has the following outstanding derivative financial instruments:

Derivatives	Contractor Notional Amount RM'000	Fair value net gains or (loses) RM'000	Purpose
1. Cross currency swap Contracts: - More than 3 years	35,063	0	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	848	0	For hedging currency risk in 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.

TASCO Berhad

Company No: 20218-T  
 Incorporated in Malaysia



**B15. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE**

	<b>Asat 30.06.2011 RM'000</b>	<b>Asat 31.12.2010 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
-Realised	131,252	126,327
-Unrealised	(8,095)	(8,440)
	123,158	117,887
Total shares of retained profits/(accumulated losses) from associated companies:-		
-Realised	2,964	2,633
-Unrealised	-	-
	126,121	120,520
Less: Consolidation adjustments	(8,332)	(8,278)
	<b>117,789</b>	<b>112,242</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.