

TASCO Berhad
(Company No: 20218-T)



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



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

	3 months ended		Cumulative 9 months ended	
	30.09.2011 RM'000 Unaudited	30.09.2010 RM'000 Unaudited	30.09.2011 RM'000 Unaudited	30.09.2010 RM'000 Unaudited
Revenue	129,556	115,301	355,341	318,670
Cost of sales	(100,752)	(91,604)	(274,165)	(251,850)
Gross profit	28,804	23,697	81,176	66,820
Other operating income	190	906	817	2,832
General and administrative expenses	(18,997)	(16,337)	(54,195)	(46,521)
Profit from operations	9,997	8,266	27,798	23,131
Investment income	169	99	537	275
Share of profits of associated companies	138	155	469	486
Finance costs	(412)	(285)	(1,012)	(716)
Profit before taxation	9,892	8,235	27,792	23,176
Tax expense	(2,789)	(2,868)	(7,107)	(6,819)
Profit for the period	7,103	5,367	20,685	16,357
Other Comprehensive Income:				
Exchange differences on translation of foreign operations	1	(6)	(38)	27
Fair Value adjustment on cash flow hedge	(860)	126	(747)	(106)
Other comprehensive income/(Loss) for the period, net of tax	(859)	120	(785)	(79)
Total Comprehensive Income	6,244	5,487	19,900	16,278
Profit Attributable to:				
Owners of the Company	7,082	5,342	20,627	16,305
Non-Controlling Interest	21	25	58	52
	7,103	5,367	20,685	16,357
Total Comprehensive Income attributable to:				
Owners of the Company	6,223	5,462	19,842	16,226
Non-Controlling Interest	21	25	58	52
	6,244	5,487	19,900	16,278
Earnings per share (sen) -basic	7	.08	5.34	20.63
				16.31

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 September 2011

	Asat 30.09.2011 RM'000 Unaudited	Asat 31.12.2010 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	183,497	160,322
Goodwill	865	865
Investment in associated company	6,102	5,633
Available-for-Sale investments	1,225	1,225
Total non-current assets	191,689	168,045
Current assets		
Inventories	103	184
Trade receivables	69,314	62,249
Other receivables, deposits and prepayments	5,727	4,062
Amounts owing by related companies	8,848	9,891
Current tax asset	4,539	4,539
Fixed deposits with licensed bank	31,867	32,050
Cash and bank balances	18,454	14,877
Total current assets	138,852	127,852
TOTAL ASSETS	330,541	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 30 September 2011

	Asat 30.09.2011 RM'000 Unaudited	Asat 31.12.2010 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedgereserve	(1,430)	(683)
Exchange translation reserve	(34)	3
Retained profits	124,871	112,242
	-----	-----
Equity attributable to owners of the Company	225,608	213,763
	-----	-----
Non-controlling interest	435	377
	-----	-----
Totalequity	226,043	214,140
	-----	-----
Non-current liabilities		
Hire purchase and finance lease liabilities	276	254
Long term bank loan	29,925	17,459
Deferred tax liabilities	9,687	8,849
	-----	-----
Total non-current liabilities	39,888	26,562
	-----	-----
Current liabilities		
Trade payables	31,405	22,281
Other payables, deposits and accruals	12,718	19,518
Amounts owing to related companies	6,374	5,280
Amounts owing to associated company	1,223	604
Hire purchase and finance lease liabilities	400	421
Bank term loan	10,900	7,000
Current tax liabilities	1,590	91
	-----	-----
Total current liabilities	64,610	55,195
	-----	-----
Totalliabilities	104,498	81,757
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TOTAL EQUITY AND LIABILITIES	330,541	295,897
	=====	=====
Net Assets per share (RM)	2.26	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 30 September 2011

	Attributable to Owners of the Company		Attributable to Non-controlling interest		Attributable to Owners of the Company		Attributable to Non-controlling interest	
	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	Non-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	192,322	323	192,645
Total comprehensive income for the period	-	(106)		27	16,305	16,226	52	16,278
Dividend paid on 15 July 2010			(3,000)		(3,000)	(3,000)	(3,000)	(3,000)
Balance at 30 September 2010	801	1,400	(433)	9	103,771	205,548	375	205,923
Balance at 1 January 2011	801	1,400	(683)	112	,242	213,763	377	214,140
Total comprehensive income for the period			(747)	20	,627	19,843	58	19,901
Dividend paid on 07 July 2011					(7,998)	(7,998)	(7,998)	(7,998)
Balance at 30 September 2011	801	1,400	(1,430)	124.8	71	225,608	435	226,043

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 September 2011

	Year-To-Date Ended	
	30.09.2011 RM'000 Unaudited	30.09.2010 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,792	23,176
Adjustments for:		
Bad debts written off	-	-
Depreciation	11,800	10,082
Gain on disposal of property, plant and equipment	(2,3)	34
Property, plant and equipment written off	(2)	-
Share of profits of associated company, net of tax	(469)	(48)
Interest income	(499)	(23)
Dividend income	(38)	(37)
Interest expense	1,012	716
Operating profit before working capital changes	39,596	30,879
Net changes in current assets	(7,609)	(19,758)
Net changes in current liabilities	(1,138)	(3,991)
Cash generated from operations	30,849	7,130
Tax paid	(4,631)	(1,608)
Net cash generated from operating activities	26,218	5,522
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(28,281)	(22,801)
Proceeds from disposal of property, plant and equipment	20	9
Interest received	499	8
Dividend received from other investment	38	37
Net cash used in investing activities	(27,724)	(13,337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	21,000	18,200
Repayment of term loan	(6,625)	(4,727)
Payment of hire purchase and finance lease liabilities	(472)	(31)
Interest paid	(1,012)	(716)
Dividend paid	(7,998)	(3,000)
Net cash generated from financing activities	4,893	9,726
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,387	1,911
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	46,927	35,041
EFFECT OF EXCHANGE RATE CHANGES	7	(6)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	50,321	36,946
Represented by:		
Fixed deposits with licensed bank	31,867	24,182
Cash and bank balances	18,454	12,764
	50,321	36,946

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 September 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 periods 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

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.

**A9. Segmental Reporting**

	Segmental Revenue		Segmental Result (PBT)	
	9 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
International Business Solutions				
International Air Freight Division	122,582	113,777	2,213	1,950
International Sea Freight Division	22,438	22,126	794	2,125
International Network Solutions Division	1,888	1,681	147	131
	146,908	137,584	3,154	4,206
Domestic Business Solutions				
Contract Logistics Division	156,554	130,677	23,402	15,385
Trucking Division	51,879	50,409	3,304	5,621
	208,433	181,086	26,706	21,006
Others	-	-	(2,068)	(2,036)
Total	355,341	318,670	27,792	23,176

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 30.09.2011 RM'000	As at 31.12.2010 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	10,065	1,095



A14. Related Party Disclosures

		9 months ended	
		30.09.2011	30.09.2010
		RM'000	RM'000
Transaction with subsidiary companies			
Rental of trucks paid and payable to subsidiary company		309	363
Labour charges paid and payable to subsidiary companies		9,584	7,869
Maintenance charges paid and payable to subsidiary company		3,130	3,293
Handling fees paid and payable to subsidiary company		467	487
Related logistics services paid and payable to subsidiary company		5	6
Related logistics services received and receivable from subsidiary company		7,220	5,897
Rental of premises received from subsidiary company		3	4
Rental of trucks received and receivable from subsidiary company		253	405
Purchase of property, plant and equipment and prepayment from subsidiary companies	idle lease	20	-
Warehouse rental received and receivables from subsidiary company		-	558
=====			
Transaction with related companies			
Related logistics services received and receivable		56,480	46,309
Related logistics services paid and payable		37,567	44,534
Management fee paid and payable		235	316
Consultancy fees paid and payable		316	131
Rental received		150	-
Repair and maintenance services		386	-
=====			
Transaction with associated company			
Rental of premises paid		282	846
=====			



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 achieved revenue of RM355.3 million for the financial period ended ("FPE") 30 September 2011, vis-a-vis RM318.6 million for the corresponding period in 2010, an increase of RM36.7 million or 11.5%. Both our International and Domestic Business Solutions reported an increase in revenue.

In tandem with higher revenue, the Group correspondingly achieved a higher profit from operations of RM27.8 million for FPE 30 September 2011 as against RM23.1 for the same period last year. This is an increase of RM4.7 million or 20.2%.

Similarly, profit before taxation for FPE 30 September 2011 surged from RM23.2 million to RM27.8 million, an increase of 19.9%, while profit for the period went up from RM16.3 million to RM20.7 million, an increase of 26.5%.

The Domestic Business Solutions ("DBS") continue to remain the key driver in our overall better performance for the period, posting revenue and profit increase of 15.1% and 27.1% respectively. The International Business Solutions ("IBS") posted revenue increase of 6.8% but reported lower profits by 25% due to a more competitive environment in our international sea freight business division.

B2. Comparison with preceding Quarter's results (Quarter 3, 2011 vs Quarter 2, 2011)

The Group achieved revenue of RM129.5 million for the 3rd quarter ended 30 September 2011 ("3QFY11"), as against revenue of RM107.4 million for the 2nd quarter ended 30 June 2011 ("2QFY11"). This represents an increase of RM22.1 million or 20.6%.

Profit from operations was registered at RM9.9 million for 3QFY11, which was higher by RM0.74 million or 8.0% as compared to that of 2QFY11. Similarly, Profit Before Taxation of RM9.9 million and profit for the period of RM7.1.

The increase in revenue in 3QFY11 vis-a-vis 2QFY11 was due to higher revenue posted by the both IBS and DBS, in particular the international air freight business experienced a surge in shipping volume by our key customers and posted an increase in revenue and profit of 35.3% and 721% respectively.

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

The on-going Eurozone financial and economic crisis continues to cast a long shadow on the world economy. While the situation remains fluid, in particular due to recent political developments in Greece, any further deterioration will have an adverse impact on the global economy. Closer to home, the severe flood situation in Thailand which is the worst in that country in 50 years, although unlikely to cause a global economic slowdown, has already adversely affected industries in Thailand, and has resulted in some disruptions in the global supply chain.

In Malaysia, the MIER expected the economic growth momentum to moderate in 2H11 due to a weaker export outlook, which may be offset to a certain extent by domestic demands expected to be boosted by ETP projects and Budget 2012 handouts. The MIER has predicted a slower 2011 GDP growth rate for Malaysia of 4.6 percent year-on-year, and has revised the GDP growth forecast for 2012 to 5.0 percent.

The prospects of the Group's business are very much dependent on the performance of the Malaysian and world economies which impact directly on the health and vibrancy of the manufacturing sectors and international trade. The Group has put in a creditable performance thus far in the financial year due to strategic investment in assets with good returns, as well as strategic expansion of our market reach into traditionally non-Japanese markets. We also have completed the building up of a 17,000 square metre ("sqm") warehouse in our existing land bank in our Shah Alam Logistics Centre which is expected to be productive from December 2011. Together with the 19,000 sqm warehouse in our Bangi Logistics Centre which was completed in July 2011, these two new warehouses are expected to contribute positively to our future revenue and earnings. Hence, we are hopeful of the prospects of the Group for the last remaining quarter of 2011. Going forward, we will continue to remain focused in servicing our customers with innovative logistics solutions, and expand our logistics capacity where it is beneficial to do so taking into consideration of the risk factors.

**B4. Profit Forecast**

Not applicable as there is no forecast/profit guarantee.

B5. Tax expense

	3 months ended		Cumulative 9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Incometax				
-Currenttax	(1,586)	(2,140)	(6,250)	(5,580)
-overprovisioninprioryears	-	-	-	776
Deferredtax				
-Currentyear	(1,203)	(728)	(857)	(2,015)
	<u>(2,789)</u>	<u>(2,868)</u>	<u>(7,107)</u>	<u>(6,819)</u>

The Group's effective tax rate for the cumulative 9 months ended 30 September 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 September 2011 are as follows:

	RM'000
Cost	26
Bookvalue	26
Marketvalue	12

B8. Corporate Proposals

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

B9. Borrowing

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Short term borrowing		
Hire purchase and finance lease liabilities	400	421
Bank loan (unsecured)	10,900	7,000
Long term borrowing		
Hire purchase and finance lease liabilities	276	254
Bank loan (unsecured)	29,925	17,459
	<u>41,501</u>	<u>25,134</u>

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

**B10. Off Balance Sheet Financial Instruments**

There are no off balance sheet financial instruments as at 30 September 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 or final dividends were paid in the current quarter under review.

B13. Earnings per share

	3 months ended		Cumulative 9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
PAT after non-controlling interest (RM'000)	7,082	5,342	20,627	16,305
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	7.08	5.34	20.63	16.31

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

B14. Derivative Financial Instruments

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

Derivatives	Contractor Notional Amount RM'000	Fairvalue net gains or (losses) RM'000	Purpose
1. Cross currency swap Contracts: - More than 3 years	40,825	1,526	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	1,305		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.



B15. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

	Asat 30.09.2011 RM'000	Asat 31.12.2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
-Realised	139,460	126,327
-Unrealised	(9,298)	(8,440)
	130,163	117,887
Total shares of retained profits/(accumulated losses) from associated companies:-		
-Realised	3,102	2,633
-Unrealised	-	-
	133,264	120,520
Less: Consolidation adjustments	(8,393)	(8,278)
	124,871	112,242

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.