

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2012



**Condensed Consolidated Income Statement
 For The Quarter And Year-To-Date Ended 30 September 2012**

	3 months ended		Cumulative 9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	112,191	129,556	337,985	355,341
Cost of sales	(83,379)	(100,752)	(253,111)	(274,165)
Gross profit	28,812	28,804	84,874	81,176
Other operating income	346	359	1,323	1,354
General and administrative expenses	(18,986)	(18,997)	(56,978)	(54,195)
Profit from operations	10,172	10,166	29,219	28,335
Share of profits of associated companies	156	138	467	469
Finance costs	(394)	(412)	(1,254)	(1,012)
Profit before taxation	9,934	9,892	28,432	27,792
Tax expense	(2,678)	(2,789)	(7,267)	(7,107)
Profit for the period	7,256	7,103	21,165	20,685
Profit attributable to:				
Owners of the Company	7,232	7,082	21,100	20,627
Non-Controlling Interest	24	21	65	58
	7,256	7,103	21,165	20,685
Earnings per share (sen) -basic	7	.23	7.08	21.10
				20.63

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30 September 2012**

	3 months ended		Cumulative 9 months ended	
	30.09.2012 RM'000 Unaudited	30.09.2011 RM'000 Unaudited	30.09.2012 RM'000 Unaudited	30.09.2011 RM'000 Unaudited
Profit for the period	7,256	7,103	21,165	20,685
Other Comprehensive Income:				
Exchanged differences on translation of foreign operations	142	1	100	(38)
Fair Value adjustment on cash flow hedge	(135)	(860)	(99)	(747)
Other comprehensive income/(Loss) for the period, net of tax	7	(859)	1	(785)
Total Comprehensive Income	7,263	6,244	21,166	19,900
Total Comprehensive Income attributable to:				
Owners of the Company	7,239	6,223	21,101	19,842
Non-Controlling Interest	24	21	65	58
	7,263	6,244	21,166	19,900

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30 September 2012

	Asat 30.09.2012 RM'000 Unaudited	Asat 31.12.2011 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	190,780	194,305
Goodwill	865	865
Investment in associated company	5,605	5,138
Available-for-Sale investments	1,230	1,225
Total non-current assets	198,480	201,533
Current assets		
Inventories	153	241
Trade receivables	69,728	67,883
Other receivables, deposits and prepayments	7,268	4,413
Amounts owing by related companies	8,890	9,359
Current tax asset	8,720	14,552
Fixed deposits with licensed bank	41,317	29,639
Cash and bank balances	12,008	19,641
Total current assets	148,084	145,728
TOTAL ASSETS	346,564	347,261

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30 September 2012

	Asat 30.09.2012 RM'000 Unaudited	Asat 31.12.2011 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
Hedge reserve	(384)	(285)
Exchange translation reserve	63	(37)
Retained profits	149,935	138,835
	-----	-----
Equity attributable to owners of the Company	251,815	240,714
	-----	-----
Non-controlling interest	528	463
	-----	-----
Total equity	252,343	241,177
	-----	-----
Non-current liabilities		
Hire purchase and finance lease liabilities	91	311
Long term bank loan	22,702	30,117
Deferred tax liabilities	11,817	13,105
	-----	-----
Total non-current liabilities	34,610	43,533
	-----	-----
Current liabilities		
Trade payables	23,193	27,341
Other payables, deposits and accruals	13,302	16,890
Amounts owing to related companies	7,995	5,442
Amounts owing to associated company	846	322
Hire purchase and finance lease liabilities	294	295
Bank term loan	12,800	12,200
Current tax liabilities	1,181	61
	-----	-----
Total current liabilities	59,611	62,551
	-----	-----
Total liabilities	94,221	106,084
	-----	-----
TOTAL EQUITY AND LIABILITIES	346,564	347,261
	=====	=====
Net Assets per share (RM)	2.522	2.41
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	Attributable to Owners of the Company									
	Non-distributable					Distributable				
	Share capital	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	RM'000	RM'000
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			-	(747)		(37)	20,627	19,843	58	19,901
Dividend paid on 07 July 2011						(7,998)	(7,998)		(7,998)	
Balance at 30 September 2011	100,000	801	1,400	(1,430)	(34)	124,87	1	225,608	435	226,043
Balance at 1 January 2012	100,000	801	1,400	(285)	(37)	138,8	35	240,714	463	241,177
Total comprehensive income for the period				(99)	100	21	,100	21,101	65	21,166
Dividend paid on 12 July 2012							(10,000)	(10,000)		(10,000)
Balance at 30 September 2012	100,000	801	1,400	(384)	63	149,	935	251,815	528	252,343

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	Year-To-Date Ended	
	30.09.2012 RM'000 Unaudited	30.09.2011 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,432	27,792
Adjustments for:		
Bad debts written off	9	-
Depreciation	12,156	11,800
Gain on disposal of property, plant and equipment	(311)	-
Property, plant and equipment written off	-	(2)
Share of profits of associated company, net of tax	(467)	(469)
Interest income	(668)	(499)
Dividend income	(42)	(38)
Interest expense	1,254	1,012
Operating profit before working capital changes	40,363	39,596
Net changes in current assets	(4,455)	(7,609)
Net changes in current liabilities	(2,903)	(1,138)
Cash generated from operations	33,005	30,849
Tax paid	(1,590)	(4,631)
Net cash generated from operating activities	31,415	26,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,533)	(28,281)
Proceeds from disposal of property, plant and equipment	370	20
Purchase of other investment	(5)	-
Interest received	668	49
Dividend received from other investment	42	38
Net cash used in investing activities	(9,458)	(27,724)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	3,000	21,000
Repayment of term loan	(9,450)	(6,625)
Payment of hire purchase and finance lease liabilities	(220)	(472)
Interest paid	(1,254)	(1,012)
Dividend paid	(10,000)	(7,998)
Net cash generated (used in) from financing activities	(17,924)	4,893
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,033	3,387
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	49,280	46,927
EFFECT OF EXCHANGE RATE CHANGES	12	7
CASH AND CASH EQUIVALENTS CARRIED FORWARD	53,325	50,321
Represented by:		
Fixed deposits with licensed bank	41,317	31,867
Cash and bank balances	12,008	18,454
	53,325	50,321

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 MFRS 134, interim Financial Reporting in Malaysia and with IAS 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 30 September 2012 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 2011. 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 2011.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

A2. Adoption of Revised Financial Reporting Standards

The following MFRSs, Amendments to MFRSs and ICA Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Amendments to MFRSs and ICA Interpretation	Effective for annual periods beginning on or after
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interest in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)	1 January 2013
MFRS 128 IASB in May 2011)	1 January 2013
Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
ICA Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A3. Audit Report

The Audit Report of the Group's annual financial statements for the FYE 31 December 2011 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 1.30 sen and franked dividend of 11.60 sen less 25% tax (8.70 sen net per ordinary share) for the financial year ended 31 December 2011, amounting to RM10,000,000 was approved by the shareholders in the Annual General Meeting on 13 June 2012 and paid on 12 July 2012.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
International Business Solutions				
Air Freight Forwarding Division ¹	100,044	122,582	1,942	2,048
Ocean Freight Forwarding Division ²	24,641	22,438	750	735
Origin Cargo Order & Vendor Management Division ³	1,665	1,888	8	136
	126,350	146,908	2,700	2,919
Domestic Business Solutions				
Contract Logistics Division	152,545	156,554	22,623	21,815
Trucking Division	59,090	51,879	3,109	3,058
	211,635	208,433	25,732	24,873
Total	337,985	355,341	28,432	27,792

Note 1: International Air Freight Division is now known as Air Freight Forwarding Division

Note 2: International Sea Freight Division is now known as Ocean Freight Forwarding Division

Note 3: International Network Solutions Division is now known as Origin Cargo Order & Vendor Management Division

A10. Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment.

A11. Subsequent Events

There was no material event subsequent to the end of the current quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

A13. 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.

**A14. Capital Commitment**

	Asat 30.09.2012 RM'000	Asat 31.12.2011 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	18,051	2,370
	=====	=====

A15. Related Party Disclosures

	9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary companies	309	309
Labour charges paid and payable to subsidiary companies	11,343	9,584
Maintenance charges paid and payable to subsidiary company	3,697	3,130
Handling fees paid and payable to subsidiary company	975	467
Related logistics services paid and payable to subsidiary company	5	5
Related logistics services received and receivable from subsidiary company	6,867	7,220
Rental of premises received from subsidiary company	72	3
Rental of trucks received and receivable from subsidiary company	253	253
Purchase of property, plant and equipment and prepayment from subsidiary companies	-	20
	=====	=====
Transaction with related companies		
Related logistics services received and receivable	70,854	56,480
Related logistics services paid and payable	50,157	37,567
Management fees paid and payable	1,533	235
Consultancy fees paid and payable	222	316
Rental received	225	225
Repair and maintenance services	424	386
	=====	=====
Transaction with associated company		
Rental of premises paid	847	847
	=====	=====



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

B1. Performance Review (Year-to-date, 2012 vs Year-to-date 2011)

The Group achieved revenue of RM338 million for the financial period ended ("FPE") 30 September 2012, as against RM355 million for the corresponding period in 2011, a decrease of RM17 million. The drop was due to lower revenue posted by the International Business Solutions ("IBS") segment, registering a 14 per cent drop in revenue. On the domestic front, the Domestic Business Solution ("DBS") still managed to register a marginal growth in revenue of 1.5 per cent (from RM208 million to RM211 million) despite the challenging economic condition.

Within the IBS, the Air Freight Forwarding ("AFF") division registered a drop of 18% due to lower export shipments from major customers. However, this was mitigated by a 9.8 per cent increase in revenue registered by the Ocean Freight Forwarding ("OFF") division. Whereas within the DBS, the Contract Logistics ("CL") division posted a 2.6% drop in revenue which was due to a drop in the customs clearance business. Nevertheless, this was partially offset by the 19% revenue increase registered by the Auto CBU and Haulage business. The Trucking division also contributed to better performance of DBS by posting a 14% increase in revenue.

Despite the drop in revenue, profit before taxation ("PBT") for FPE 30 September 2012 increased to RM28.4 million from RM27.8 million, an increase of 2.2 per cent. Profit for the period went up to RM21.2 million from RM20.7 million, an increase of 2.4 per cent. The increase in profits was due to better margins from both the IBS and DBS segment. The DBS segment improved its PBT margin by 0.22 per cent and registered an increase of RM859K PBT y-o-y. The IBS segment also improved its PBT margin by 0.14 per cent due to lower operational costs, but PBT dropped by RM219K due to lower revenue.

B2. Comparison with preceding Quarter's results (Quarter 3, 2012 vs Quarter 2, 2012)

The Group revenue for 3rd quarter ended 30 September 2012 ("3QFY12") was registered at RM112.1 million, as against revenue of RM107.9 million for the 2nd quarter ended 30 June 2012 ("2QFY12"). This represents an increase of RM4.2 million or 4.0 per cent. The increase in revenue was due to higher revenue posted by DBS, which recorded revenue increase of 9.6 per cent. The better revenue growth of the DBS was able to offset the poorer revenue posted by IBS which recorded a drop of 5.4 per cent.

PBT for 3QFY12 increased by 5.8% from RM9.4 million to RM9.9 million, again due to better margin and PBT achieved by the IBS segment. Profit for the period increased from RM7.1 million to RM7.3 million, an increase of RM0.2 million or 2 per cent.

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

The global economy continues to operate in a challenging environment. The Malaysian Institute of Economic Research reported that latest economic data from the US has not been encouraging, with economic indicators showing more negative than positive outlook. Over at the EU, the euro zone economies contracted 0.4 per cent in the second quarter and now seemed headed towards another quarterly economic contraction. The Chinese economy, meanwhile, is being hit by a "double whammy" of softer domestic demand and slower export growth, and grew at its slowest pace in 3 years of 7.6 per cent year-on-year. Against the backdrop of the on-going euro zone crisis, slowdown in global economy and the so-called "fiscal cliff" uncertainty now looming in the US, the global economy is expected to continue to be challenging.

In spite of the negative global economic condition, the Malaysian economy has managed to remain resilient. Bank Negara has recently reported that Malaysia's full year growth could surpass the earlier forecast of 4 to 5 per cent, after the economy grew by 5.2 per cent in the third quarter. The economy expanded by 4.7 per cent in the first quarter and by 5.6 per cent in the second quarter, where the growth figure in the second quarter was revised upwards from 5.4 per cent to 5.6 per cent due to new data. Domestic demand continued to drive the country's economic growth with private sector demand expanding 11.6 per cent in the third quarter and public sector demand growing 10.9 per cent. Sustained growth in domestic demand was able to offset weaker external demand, reflected by a 50.5 per cent decline in net exports of goods and services. Bank Negara expected that the economic growth in the fourth quarter will be similar to that of the third quarter.

The prospects of the Group's businesses are very much tied to the Malaysian and global economies as they have a direct impact on the health and vibrancy of the manufacturing industries as well as international trade. The Group has continued to perform creditably, in spite of the negative global economic environment. Nevertheless, the Group's results have been affected by the weak global economy, and the performance of the IBS segment, in particular the AFF Division, reflect this. The DBS segment continues to perform creditably and drives our business, and this trend is expected to continue into the fourth quarter. With our focus on the domestic and intra-Asian front as well as our minimal exposure to the Euro zone and barring unforeseen circumstances, we expected the prospects of the Group to be satisfactory for the rest of the financial year. We will also remain focused in servicing our customers with innovative logistics solutions and expand our logistics capacity where it is beneficial to do so 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 9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Incometax				
-Currenttax	(4,178)	(1,586)	(8,568)	(6,250)
-overprovisioninprioryears	-	-	-	-
Deferredtax				
-Currentyear	1,500	(1,203)	1,301	(857)
	(2,678)	(2,789)		(7,107)

The Group's effective tax rate for the cumulative 9 months ended 30 September 2012 was about the statutory rate of 25%.

B6. Corporate Proposals

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

B7. Borrowing

	Asat 30.09.2012 RM'000	Asat 31.12.2011 RM'000
	Short term borrowing	
Hire purchase and finance lease liabilities	294	295
Bank loan (unsecured)	12,800	12,200
Long term borrowing		
Hire purchase and finance lease liabilities	91	311
Bank loan (unsecured)	22,702	30,117
	35,887	42,923

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

B8. Litigation

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

B9. Dividend Payable

(i) A franked interim dividend of 5.34 sen less 25% tax (4.005 sen net per ordinary share) for the financial year ending 31 December 2012, amounting to RM4,005,000 has been declared by the directors;

(ii) Amount per share: 5.34 sen less 25% tax (4.005 sen net per ordinary share);

(iii) No interim ordinary dividend has been declared for the previous corresponding financial period ended 30 September 2011;

(iv) Payment date: 21 December 2012 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 7 December 2012

**B10. Earnings per share**

	3 months ended		Cumulative 9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
PAT after non-controlling interest (RM'000)	7,232	7,082	21,100	20,627
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	7.23	7.08	21.10	20.63

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2012. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 September 2012, 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	35,502	(1,039)	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	768		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.



B12. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

	Asat 30.09.2012 RM'000	Asat 31.12.2011 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
-Realised	167,584	157,851
-Unrealised	(11,655)	(12,715)
	-----	-----
Total shares of retained profits/(accumulated losses) from associated companies:-	155,930	145,136
-Realised	2,605	2,138
-Unrealised	-	-
	-----	-----
Less: Consolidation adjustments	158,535 (8,599)	147,274 (8,439)
	-----	-----
Total group retained profits/(accumulated losses) as per consolidated accounts	149,935	138,835
	=====	=====

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.

B13. PROFIT FOR THE PERIOD

	3 months ended		Cumulative 9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Profit for the period as arrived at after crediting :				
Interest income	247	170	668	499
Other income	99	189	655	855
Foreign exchange gain	-	-	-	-
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	394	412	1,254	1,012
Depreciation	3,874	4,077	12,156	11,800
Provision for/write off receivables	-	-	-	-
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	272	98	462	567
Other loss	-	-	-	-

There were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 30 September 2012 (30 September 2011: Nil)