

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 June 2014



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30 June 2014**

	Quarter and Year-to-Date Ended	
	30.06.2014 RM'000 Unaudited	30.06.2013 RM'000 Unaudited
Revenue	134,802	104,324
Cost of sales	(98,705)	(77,098)
Gross profit	36,097	27,226
Other operating income	323	507
General and administrative expenses	(23,044)	(20,032)
Profit from operations	13,376	7,701
Share of profits of associated companies	159	150
Finance costs	(229)	(313)
Profit before taxation	13,306	7,538
Tax expense	(3,306)	(1,791)
Profit for the period	10,000	5,747
Profit Attributable to:		
Owners of the Company	9,969	5,730
Non-Controlling Interest	31	17
	10,000	5,747
Earnings per share (sen) - basic	9.97	5.73

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 March 2014 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 June 2014**

	Quarter and Year-to-Date Ended	
	30.06.2014	30.06.2013
	RM'000	RM'000
	Unaudited	Unaudited
Profit for the period	10,000	5,747
Other Comprehensive Income:		
Exchange differences on translation foreign operation	128	(244)
Fair Value adjustment on cash flow hedge	31	161
Other comprehensive income/(Loss) for the period, net of tax	159	(83)
Total Comprehensive Income	10,159	5,664
Total Comprehensive Income attributable to:		
Owners of the Company	10,128	5,647
Non-Controlling Interest	31	17
	10,159	5,664

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year period 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position as at 30 June 2014

	As at 30.06.2014 RM'000 Unaudited	As at 31.03.2014 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	216,902	207,787
Investment in associated company	4,342	4,183
Other investments	1,204	1,204
Total non-current assets	222,448	213,174
Current assets		
Inventories	111	109
Trade receivables	92,812	81,992
Other receivables, deposits and prepayments	10,391	11,096
Amounts owing by related companies	8,357	9,725
Amounts owing by associated company	-	54
Current tax asset	7,226	7,236
Fixed deposits with a licensed bank	22,318	29,861
Cash and bank balances	11,317	22,600
Total current assets	152,532	162,673
TOTAL ASSETS	374,980	375,847

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30 June 2014

	As at 30.06.2014 RM'000 Unaudited	As at 31.03.2014 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	(5)	(36)
Exchange translation reserve	(25)	(153)
Retained profits	185,089	175,121
	-----	-----
Equity attributable to owners of the Company	287,260	277,133
Non-controlling interest	683	652
	-----	-----
Total equity	287,943	277,785
	-----	-----
Non-current liabilities		
Long term bank loan	21,712	12,873
Deferred tax liabilities	8,064	8,770
	-----	-----
Total non-current liabilities	29,776	21,643
	-----	-----
Current liabilities		
Trade payables	31,788	36,879
Other payables, deposits and accruals	8,921	22,953
Amounts owing to related companies	5,494	5,156
Hire purchase and finance lease liabilities	1	13
Bank term loan	8,703	11,293
Current tax liabilities	2,354	125
	-----	-----
Total current liabilities	57,261	76,419
	-----	-----
Total liabilities	87,037	98,062
	-----	-----
TOTAL EQUITY AND LIABILITIES	374,980	375,847
	=====	=====
Net Assets per share (RM)	2.87	2.77
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2014 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 2014

	----- 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 -----								
	----- Non-distributable -----					-- Distributable --			Total equity RM'000
	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	
Balance at 1 April 2013	100,000	801	1,400	(287)	155	158,132	260,201	571	260,772
Total comprehensive income for the period			-	161	(244)	5,730	5,647	17	5,664
Dividend declared						(5,002)	(5,002)		(5,002)
Balance at 30 June 2013	100,000	801	1,400	(126)	(89)	158,860	260,846	587	261,433
Balance at 1 April 2014	100,000	801	1,400	(36)	(153)	175,121	277,133	652	277,785
Total comprehensive income for the period				31	128	9,969	10,128	31	10,159
Balance at 30 June 2014	100,000	801	1,400	(5)	(25)	185,089	287,260	683	287,943

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 2014

	Year-To-Date Ended	
	30.06.2014 RM'000 Unaudited	30.06.2013 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,306	7,538
Adjustments for:		
Depreciation	4,236	3,836
Gain on disposal of property, plant and equipment	1	(306)
Share of profits of associated company, net of tax	(159)	(150)
Interest income	(177)	(175)
Dividend income	-	(37)
Interest expense	229	313
Operating profit before working capital changes	17,436	11,019
Net Changes in current assets	(8,423)	(1,031)
Net Changes in current liabilities	(19,223)	8,458
Cash (used in) / generated from operations	(10,210)	18,446
Tax paid	(1,793)	(2,275)
Net Cash (used in) / generated from operating activities	(12,003)	16,171
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,248)	(18,664)
Proceeds from disposal of property, plant and equipment	-	455
Interest received	177	175
Dividend received from other investment	-	37
Net cash used in investing activities	(13,071)	(17,997)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	10,000	-
Repayment of term loan	(3,500)	(3,721)
Payment of hire purchase and finance lease liabilities	(12)	(77)
Interest paid	(229)	(313)
Net cash generated from / (used in) financing activities	6,259	(4,111)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,815)	(5,937)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	52,461	39,084
EFFECT OF EXCHANGE RATE CHANGES	(11)	9
CASH AND CASH EQUIVALENTS CARRIED FORWARD	33,635	33,156
Represented by:		
Fixed deposits with a licensed bank	22,318	25,116
Cash and bank balances	11,317	8,040
	33,635	33,156

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the period ended 31 March 2014 and the accompanying explanatory notes attach to the interim financial statements.



Notes to the Interim Financial Report

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 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 Malaysian Financial Reporting Standards 134 ("MFRS 134"), Interim Financial Reporting in Malaysia, International Financial Reporting Standard 134 ("IFRS 134") and Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial period ended 31 March 2014. 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 financial period ended 31 March 2014.

A2. Adoption of Revised Financial Reporting Standards

The Group and the Company have not applied the following standard, amendments and interpretation that have been issued by the MASB but are not yet effective:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective Date
		Yet to be confirmed
MFRS 9	Financial Instruments	Yet to be confirmed
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies		1 January 2014
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124, MFRS 138,	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13, MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 116, MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 14	Regulatory Deferral Accounts	1 January 2016

Notes to the Interim Financial Report

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A3. Audit Report**

The Audit Report of the Group's annual financial statements for the Financial period ended 31 March 2014 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)	
	Ended ended		Ended ended	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
International Business Solutions				
Air Freight Forwarding Division	37,318	30,105	1,593	1,443
Ocean Freight Forwarding Division	10,448	9,222	331	332
Origin Cargo Order & Vendor Management Division	876	686	98	79
	48,642	40,013	2,022	1,854
Domestic Business Solutions				
Contract Logistics Division	65,579	43,812	12,315	4,961
Trucking Division	20,581	20,499	(253)	402
	86,160	64,311	12,062	5,363
Others	-	-	(778)	321
Total	134,802	104,324	13,306	7,538



Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting

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

	As at 30.06.2014 RM'000	As at 31.03.2014 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	36,731	32,558
	=====	=====

A15. Related Party Disclosures

	3 months ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	124	96
Labour charges paid and payable to subsidiary companies	5,642	4,136
Maintenance charges paid and payable to a subsidiary company	1,478	1,345
Handling fees paid and payable to a subsidiary company	214	1
Related logistic services paid and payable to a subsidiary company	-	24
Related logistic services received and receivable from a subsidiary company	870	1,498
Rental of premises received from a subsidiary company	22	24
Rental of trucks received and receivable from subsidiary company	784	765
	=====	=====
Transaction with related companies		
Related logistic services received and receivable	17,660	15,183
Related logistic services paid and payable	17,294	12,481
Management fee paid and payable	736	676
Consultancy fees paid and payable	81	76
Rental received	75	75
Repair and maintenance services	187	112
	=====	=====
Transaction with associated company		
Rental of premises paid	282	282
Accounting fee paid to an associated company	4,800	4,800
	=====	=====



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

B1. Performance Review : Year-to-date April 2014-June 2014 vs Year-to-date April 2013-June 2013

For the year-to-date ended 30 June 2014, the Group recorded revenue of RM134.8 million, as against RM104.3 million, an increase of 29.2 per cent (RM30 million) year-on-year. The increase in revenue was contributed from both the International Business Solutions ("IBS") segment as well as the Domestic Business Solutions ("DBS"), which posted increases of RM8.6 million (21.6 per cent) and RM21.9 million (34.0 per cent) respectively year-on-year.

In the IBS segment, Air Freight Forwarding ("AFF") division posted an increase of RM7.2 million (24.0 per cent) due to higher and urgent export shipments by air from major customers in the manufacturing sector. Ocean Freight Forwarding ("OFF") division also recorded an increase in revenue of RM1.2 million (13.3 per cent) which were mainly contributed from shipments of project cargo. As for the DBS, the Contract Logistics ("CL") division remained strong and registered an increase of RM21.8 million (49.7 per cent). The warehouse and in-plant businesses also remained strong and contributed increases of RM12.5 million (76.7 per cent) and 2.3 million (89.5 per cent) respectively to the CL division. A newly secured FMCG customer coupled with increased export shipments of existing customers resulted in haulage business contributing an increase in revenue of RM5.8 million (100.6 per cent) to CL division.

Profit before taxation ("PBT") for the year-to-date ended 30 June 2014 increased to RM13.3 million from RM7.5 million, an increase of RM5.8 million (76.5 per cent), while profit for the period to date went up to RM10 million from RM5.7 million (74.0 per cent). With an increase in revenue due to reasons stated above, IBS business posted an increase of PBT of RM0.17 million (9.1 per cent) while DBS also registered an increase of PBT of RM6.7 million (124.9 per cent) compare to the corresponding year-on-year. Strong demand of warehouse, in-plant and haulage businesses drove CL division to record an increase of RM7.4 million (148.2 per cent) whereas increased operating costs due to higher fuel and subcontracting costs resulted in the Trucking division posting a drop of PBT of RM0.66 million (162.9 per cent).

B2. Comparison with Preceding Quarter's Results: April 2014 to June 2014 vs January 2014 to March 2014

The Group's revenue of the first quarter ended 30 June 2014 ("1Q2014/2015") was registered at RM134.8 million, as against revenue of RM116.1 million of the preceding quarter ended 31 March 2014. This represents an increase of RM18.7 million (16.1 per cent). The increase was due to better performance in both IBS and DBS, which recorded increased revenue of RM4.7 million (10.6 per cent) and RM14.0 (19.5 per cent) respectively.

Within the IBS, the AFF division posted revenue from RM32.9 million to RM37.3 million, an increase of RM4.4 million (13.4 per cent). The increase was driven by a surge in export volume by handling urgent shipments by air arrangement compared to last preceding quarter. OFF division recorded an increase of RM0.2 million (2.3 per cent) from RM11.1 million to RM11.3 million. Within the DBS, the CL division posted an increase of RM7.3 million (12.5 per cent) and Trucking division also posted an increase of RM6.8 million (48.9 per cent). Seasonal increase in shipments of E&E goods coupled with a new FMCG customer contributed significant increase in warehouse, in-plant and haulage business in this quarter.

PBT for 1Q2014/2015 increased from RM8.5 million last preceding quarter to RM13.3 millions, increase of RM4.8 million (57.2 per cent). Within IBS, AFF recorded an increase of PBT by RM0.7 million (87.8 per cent) whereas OFF recorded a drop of RM0.4 million (48.9 per cent). Within DBS, CL division registered an increase of PBT of RM4.1 million (49.4 per cent). Trucking division registered an increase of RM0.02 million (5.5 per cent).

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

The International Monetary Fund ("IMF") in its World Economic Update in July 2014 has marked down by 0.3 percent to 3.4 percent for its global growth projection for 2014. This reflected both the legacy of the weak first quarter, particularly in the US, and a less optimistic outlook for several emerging markets. Nevertheless, the IMF expected that global growth will rebound from the second quarter of 2014 to partially offset the first quarter setback, as some of the drivers underlying first quarter weakness are expected to be temporary or offset by government policies. Downside risks include the increased geopolitical risks, leading to higher oil prices, as well as financial market risks.

On the domestic front, the Malaysian Institute of Economic Research ("MIER") expected that domestic demand would continue to power the growth of the Malaysian economy. Strong external demand and continuing high private investment growth are expected to continue from the momentum in the first quarter of 2014. Latest data showed that Malaysia's exports rose 13.5 percent in the first five months of 2014, compared with a contraction of 2.4 percent in the corresponding period in 2013. Nevertheless, downside risks remain and include the fragile and uneven growth in the global economy, in particular Malaysia's main export partners such as the US, China and the EU. The MIER expected that Bank Negara's recent growth forecast of 4.5 percent to 5.5 percent for 2014 would be achievable and should be closer to the upper limit of the forecast.

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

The prospects of the Group's businesses are very much dependent on the performance of the Malaysian and world economies. The improving global and domestic economies augur well for the Group and its performance, which is expected to move in tandem with the general economy. However, downside risks for our business environment still remain. Of particular concerns are the rising operational costs due to strong inflationary pressures as a result of recent and forthcoming government policies, such as implementation of GST, further subsidy rationisation and minimum wage review. These, coupled with keen competition in certain sectors amongst industry players resulting in inability to transfer our increase costs, will result in lower margins. Nevertheless, based on the performance in 1Q2014/2015, the Group is cautiously optimistic about its performance for the rest of the financial year. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity in areas where it is beneficial to do so.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax Expense

	Quarter and Year-To-Date Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Income tax		
- Current tax	(4,005)	(2,360)
- overprovision in prior years	-	-
Deferred tax		
- Current year	699	569
- underprovision in prior years	-	-
	(3,306)	(1,791)

The Group's effective tax rate for the cumulative 3 months ended 30 June 2014 was about the statutory rate of 25%.

B6. Corporate Proposals

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

B7. Borrowing

	As at 30.06.2014 RM'000	As at 31.03.2014 RM'000
	Short term borrowing	
Hire purchase and finance lease liabilities	1	13
Bank loan (unsecured)	8,703	11,293
Long term borrowing		
Hire purchase and finance lease liabilities	-	-
Bank loan (unsecured)	21,712	12,873
	30,416	24,179

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

**B8. Litigation**

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

B9. Dividend Proposed

The Board of Directors proposes a final single tier dividend of 5.00 sen per ordinary share in respect of the financial year ended 31 March 2014. This dividend is subject to approval by the shareholder at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statement.

B10. Earnings Per Share

	Quarter and Year-To-Date Ended	
	30.06.2014	30.06.2013
PAT after non-controlling interest (RM'000)	9,969	5,730
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Earnings per share (sen)	9.97	5.73

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2014. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 June 2014, 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	30,415	270	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	460	-	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**

	As at 30.06.2014 RM'000	As at 31.03.2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	200,942	191,788
- Unrealised	(7,723)	(8,424)
	193,220	183,364
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	1,342	1,183
- Unrealised		-
	194,562	184,547
Less: Consolidation adjustments	(9,472)	(9,426)
Total group retained profits/(accumulated losses) as per consolidated accounts	185,089	175,121

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

	Quarter and Year-To-Date Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Profit for the period is arrived at after crediting:		
Interest income	177	175
Other income	146	332
Foreign exchange gain	-	-
Unrealised foreign exchange gain	-	-
and after charging:		
Interest expenses	229	313
Depreciation	4,236	3,836
Provision for/write off receivables	-	-
Provision for/write off inventories	-	-
Foreign exchange loss	267	46
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 June 2014 (30 June 2013: Nil)