

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2015



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-September-2015**

| | 3 months ended | | Cumulative 6 months ended | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 30.09.2015 RM'000 Unaudited | 30.09.2014 RM'000 Unaudited | 30.09.2015 RM'000 Unaudited | 30.09.2014 RM'000 Unaudited |
| Revenue | 127,878 | 122,615 | 246,722 | 257,417 |
| Cost of sales | (95,553) | (88,547) | (183,298) | (187,252) |
| Gross profit | 32,325 | 34,068 | 63,424 | 70,165 |
| Other operating income | 1,016 | 348 | 1,697 | 671 |
| General and administrative expenses | (23,495) | (23,346) | (45,914) | (46,390) |
| Profit from operations | 9,846 | 11,070 | 19,207 | 24,446 |
| Share of profits of associated companies | 158 | 148 | 316 | 307 |
| Finance costs | (413) | (328) | (1,663) | (557) |
| Profit before taxation | 9,591 | 10,890 | 17,861 | 24,196 |
| Tax expense | (2,470) | (2,779) | (4,616) | (6,085) |
| Profit for the period | 7,121 | 8,111 | 13,245 | 18,111 |
| Profit Attributable to: | | | | |
| Owners of the Company | 7,096 | 8,085 | 13,184 | 18,054 |
| Non-Controlling Interest | 25 | 26 | 61 | 57 |
| | 7,121 | 8,111 | 13,245 | 18,111 |
| Earnings per share (sen) - basic | 7.10 | 8.09 | 13.18 | 18.05 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 March 2015 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-2015**

| | 3 months ended | | Cumulative 6 months ended | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 30.09.2015 RM'000 Unaudited | 30.09.2014 RM'000 Unaudited | 30.09.2015 RM'000 Unaudited | 30.09.2014 RM'000 Unaudited |
| Profit for the period | 7,121 | 8,111 | 13,245 | 18,111 |
| Other Comprehensive Income: | | | | |
| Exchange differences on translation foreign operation | (427) | - | (345) | 128 |
| Fair Value adjustment on cash flow hedge | 744 | (82) | (181) | (51) |
| Other comprehensive income/(Loss) for the period, net of tax | 317 | (82) | (526) | 77 |
| Total Comprehensive Income | 7,438 | 8,029 | 12,718 | 18,188 |
| Total Comprehensive Income attributable to: | | | | |
| Owners of the Company | 7,413 | 8,003 | 12,657 | 18,131 |
| Non-Controlling Interest | 25 | 26 | 61 | 57 |
| | 7,438 | 8,029 | 12,718 | 18,188 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year period 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-September-2015

| | As at 30.09.2015 RM'000 Unaudited | As at 31.03.2015 RM'000 Audited |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 248,361 | 254,375 |
| Investment in associated company | 4,464 | 4,148 |
| Other investments | 1,159 | 1,159 |
| Total non-current assets | 253,984 | 259,682 |
| Current assets | | |
| Inventories | 128 | 149 |
| Trade receivables | 96,669 | 83,114 |
| Other receivables, deposits and prepayments | 22,312 | 16,144 |
| Amount owing by immediate holding company | 3,721 | 3,005 |
| Amounts owing by related companies | 5,791 | 5,281 |
| Current tax asset | 7,226 | 7,244 |
| Fixed deposits with a licensed bank | 38,516 | 39,101 |
| Cash and bank balances | 22,286 | 17,980 |
| Total current assets | 196,649 | 172,018 |
| TOTAL ASSETS | 450,633 | 431,700 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-September-2015

| | As at 30.09.2015 RM'000 Unaudited | As at 31.03.2015 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 | 61 | 242 |
| Exchange translation reserve | (493) | (148) |
| Retained profits | 204,985 | 196,801 |
| Equity attributable to owners of the Company | 306,754 | 299,097 |
| Non-controlling interest | 830 | 769 |
| Total equity | 307,584 | 299,866 |
| Non-current liabilities | | |
| Long term bank loan | 46,946 | 37,520 |
| Deferred tax liabilities | 6,643 | 8,457 |
| Total non-current liabilities | 53,589 | 45,977 |
| Current liabilities | | |
| Trade payables | 28,559 | 28,450 |
| Other payables, deposits and accruals | 22,902 | 29,845 |
| Amount owing to immediate holding company | 2,049 | 1,556 |
| Amounts owing to related companies | 5,530 | 5,631 |
| Amounts owing to associated company | 498 | 94 |
| Dividend payable | 5,000 | - |
| Bank term loan | 16,349 | 17,275 |
| Current tax liabilities | 8,572 | 3,006 |
| Total current liabilities | 89,459 | 85,857 |
| Total liabilities | 143,049 | 131,834 |
| TOTAL EQUITY AND LIABILITIES | 450,633 | 431,700 |
| Net Assets per share (RM) | 3.07 | 2.99 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2015 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-2015

| | ----- 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 -- | | | Non-controlling interest 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 | | |
| 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 | | | - | (51) | 128 | 18,054 | 18,131 | 57 | 18,188 |
| Dividend declared on 10 September 2014 | | | | | | (5,000) | (5,000) | | (5,000) |
| Balance at 30 September 2014 | 100,000 | 801 | 1,400 | (87) | (25) | 188,175 | 290,264 | 709 | 290,973 |
| Balance at 1 April 2015 | 100,000 | 801 | 1,400 | 242 | (148) | 196,801 | 299,097 | 769 | 299,866 |
| Total comprehensive income for the period | | | | (181) | (345) | 13,184 | 12,657 | 61 | 12,718 |
| Dividend approved and declared on 15 September 2015 | | | | | | (5,000) | (5,000) | - | (5,000) |
| Balance at 30 September 2015 | 100,000 | 801 | 1,400 | 61 | (493) | 204,985 | 306,754 | 830 | 307,584 |

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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-2015

| | Year-To-Date Ended | |
|---|-----------------------------------|-----------------------------------|
| | 30.09.2015 RM'000 Unaudited | 30.09.2014 RM'000 Unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 17,861 | 24,196 |
| Adjustments for: | | |
| Depreciation | 9,600 | 8,401 |
| Gain on disposal of property, plant and equipment | (341) | (12) |
| Property, plant and equipment written off | (52) | - |
| Share of profits of associated company, net of tax | (316) | (307) |
| Interest income | (492) | (347) |
| Interest expense | 1,663 | 557 |
| Operating profit before working capital changes | 27,923 | 32,488 |
| Net Changes in current assets | (4,978) | (11,357) |
| Net Changes in current liabilities | (14,372) | (14,246) |
| Cash generated from operations | 8,573 | 6,885 |
| Tax paid | (869) | (3,733) |
| Net Cash generated from operating activities | 7,704 | 3,152 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (2,761) | (17,283) |
| Proceeds from disposal of property, plant and equipment | 341 | - |
| Interest received | 492 | 347 |
| Net cash used in investing activities | (1,929) | (16,936) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of term loan | 8,000 | 10,000 |
| Repayment of term loan | (8,526) | (7,220) |
| Payment of hire purchase and finance lease liabilities | (6) | (11) |
| Interest paid | (1,663) | (557) |
| Net cash generated from / (used in) financing activities | (2,195) | 2,212 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 3,580 | (11,572) |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 57,081 | 52,461 |
| EFFECT OF EXCHANGE RATE CHANGES | 140 | (15) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | 60,801 | 40,874 |
| Represented by: | | |
| Fixed deposits with a licensed bank | 38,516 | 33,369 |
| Cash and bank balances | 22,286 | 7,505 |
| | 60,801 | 40,874 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the period ended 31 March 2015 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, International Financial Reporting Standard 134 ("IFRS 134"), 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 2015. 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 2015.

A2. Adoption of Revised Financial Reporting Standards

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

| MFRSs, Amendments to MFRSs and IC Interpretation | | Effective Date |
|---|---|-----------------------|
| MFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 141 | Agriculture: Bearer Plants | 1 January 2016 |
| Amendments to MFRS 127 | Equity Method in Separate Financial Statements | 1 January 2016 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134 | Annual Improvements to MFRSs 2012-2014 Cycle | 1 January 2016 |
| Amendments to MFRS 101 | Disclosure Initiative | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception | January 2016 |
| MFRS 15 | Revenue from Contracts with Customers | January 2017 |
| MFRS 9 | Financial Instruments | January 2018 |

Except as otherwise indicated below, the adoption of the above new standards, amendments and interpretation are not expected to have significant impact on the financial statements of the Group and of the Company.



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

A2. Adoption of Revised Financial Reporting Standards (Continue)

MFRS 9, Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 9, and intend to adopt MFRS 9 on the mandatory effective date.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the Financial period ended 31 March 2015 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 dividend was paid for the quarter under review or for the six months financial period ended 30 September 2015.



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

A9. Segmental Reporting

| | Segmental Revenue | | Segmental Result (PBT) | |
|---|----------------------|----------------------|------------------------|----------------------|
| | 6 months ended | | 6 months ended | |
| | 30.09.2015 RM'000 | 30.09.2014 RM'000 | 30.09.2015 RM'000 | 30.09.2014 RM'000 |
| International Business Solutions | | | | |
| Air Freight Forwarding Division | 68,625 | 66,653 | 3,501 | 1,639 |
| Ocean Freight Forwarding Division | 28,814 | 21,610 | 1,989 | 649 |
| | 97,439 | 88,263 | 5,490 | 2,288 |
| Domestic Business Solutions | | | | |
| Contract Logistics Division | 107,368 | 129,283 | 10,068 | 23,898 |
| Trucking Division | 41,915 | 39,871 | (118) | (351) |
| | 149,283 | 169,154 | 9,950 | 23,547 |
| Others | - | - | 2,421 | (1,639) |
| Total | 246,722 | 257,417 | 17,861 | 24,196 |

A10. Valuation of Property, Plant and Equipment

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

A11. Subsequent Events

The Company's proposed share split has been completed following the listing and quotation for the subdivided shares in the main market of Bursa Securities effective from 13 October 2015. Other than that, 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 30.09.2015 RM'000 | As at 30.09.2014 RM'000 |
|---|-------------------------------|-------------------------------|
| Authorised and contracted for - acquisition of property, plant and equipment | 4,750 | 42,727 |



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

A15. Related Party Disclosures

| | 6 months ended | |
|---|----------------------|----------------------|
| | 30.09.2015 RM'000 | 30.09.2014 RM'000 |
| Transaction with subsidiary companies | | |
| Rental of trucks paid and payable to subsidiary company | 265 | 230 |
| Labour charges paid and payable to subsidiary companies | 10,894 | 10,515 |
| Maintenance charges paid and payable to a subsidiary company | 2,712 | 3,293 |
| Handling fees paid and payable to a subsidiary company from a subsidiary company | 307 | 503 |
| Rental of premises paid and payable to a subsidiary company | 2,044 | 2,123 |
| Rental of trucks received and receivable from subsidiary company | 2,002 | 193 |
| | 1,716 | 1,963 |
| ===== | | |
| Transaction with related companies | | |
| Related logistic services received and receivable | 37,836 | 33,669 |
| Related logistic services paid and payable | 30,451 | 42,072 |
| Management fee paid and payable | 1,730 | 887 |
| Consultancy fees paid and payable | 307 | 192 |
| Rental received | 150 | 150 |
| Repair and maintenance services | 229 | 354 |
| ===== | | |
| Transaction with associated company | | |
| Rental of premises paid | 564 | 564 |
| Accounting fee paid to an associated company | 10 | - |
| ===== | | |

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

B1. Performance Review : Year-to-date April 2015-September 2015 vs Year-to-date April 2014-September 2014

The Group achieved revenue of RM246.7 million for the financial period ended ("FPE") 30 September 2015 as against RM257.4 million, a decrease of RM10.7 million (4.2 per cent) year-on-year ("y-o-y"). International Business Solutions (IBS) posted an increase of RM9.2 million (10.4 per cent) whereas Domestic Business Solutions (DBS) segments showed a decrease in revenue of RM19.9 million (11.7 per cent) y-o-y respectively.

In the IBS segment, increase export shipments of a major semiconductor customer resulting from its high demand from automotive industry in France coupled with increase of ad-hoc export shipments handled for major E&E customers due to issue of delivery lead time by sea mode, resulted in Air Freight Forwarding ("AFF") division posting an increase of RM1.9 million (3.0 per cent). Ocean Freight Forwarding ("OFF") division meanwhile also posted a significant increase in revenue of RM7.2 million (33.3 per cent). A newly secured account who manufactures solar panel mainly to USA market coupled with recovery from accounts which were lost last year contributed significantly to OFF business. As for the DBS, except for Trucking division which posted revenue increase of RM2.0 million (5.1 per cent), the lack of domestic catalyst coupled with reduced export shipments led to revenue decrease of Contract Logistics ("CL") business. Increase in revenue of Trucking division was largely as a result of increase in in-bound cross border business from Thailand & newly secured accounts for distribution. CL posted a drop of RM21.9 million (17.0 per cent). Within CL business, revenue of warehouse and in-plant businesses dropped by RM11.4 million (19.9 per cent) and RM0.4 million (3.8 per cent) respectively. Custom clearance & haulage businesses recorded revenue drop of RM2.9 million (7.9 per cent) and RM5.2 million (24.1 per cent) respectively. Discontinuation of business contract with a customer of auto business led to revenue drop of RM2.0 million (57.4 per cent) to auto business segment.

Profit before taxation ("PBT") for the FPE ended 30 September 2015 decreased to RM17.9 million from RM24.2 million, a reduction of RM6.3 million (26.2 per cent), while profit for the financial period went down to RM13.2 million from RM18.1 million (26.9 per cent). The poorer year-to-date result was mainly as a carryover from the results of the preceding first quarter of the financial year, whereas the gap for the quarter under review has somewhat narrowed. Increase revenue contributed from reasons stated above and lower buying air freight rates due to soft market coupled with US Dollar appreciation caused PBT of IBS segment to rise from RM2.3 million to RM5.5 million, an increase of RM3.2 million (140.0 per cent) y-o-y. PBT of AFF business rose by RM1.9 million (113.7 per cent) whereas PBT of OFF business increased by RM1.3 million (206.6 per cent) respectively. As for DBS segment, with the revenue dip due to reasons stated above, DBS registered a reduction of PBT of RM13.6 million (57.7 per cent) from RM23.5 million to RM9.9 million. Within DBS segment, PBT of CL business was down by RM13.8 (57.9 per cent). However, it was offset by profit improvement from Trucking division from loss before taxation of RM0.3 million to loss before taxation of RM0.1 million, an improvement of 66.4 per cent.

B2. Comparison with Previous Year Corresponding Quarter's Results : July 2015 to September 2015 vs July 2014 to September 2014

The Group's revenue for the second financial quarter ended 30 September 2015 ("Q2FY15/16") was posted at RM127.9 million, as against revenue of RM122.6 million for the second financial quarter ended 30 September 2014 ("Q2FY14/15"). This represents an increase of 4.3 per cent (RM5.3 million). The increase in revenue was mainly generated from IBS segment while soft local market resulted in DBS business experiencing revenue reduction as against Q2FY14/15. Revenue of IBS increased by RM12.2 million (30.8 per cent), from RM39.6 million to RM51.8 million. On the other hand, DBS segment recorded a drop in revenue from RM83.0 million to RM76.1 million, a reduction of RM6.9 million (8.3 per cent). Within IBS segment, the biggest increase was generated by OFF business. Revenue of OFF rose by RM7.0 million (68.4 per cent) which was mainly contributed from a new customer which produces solar panels for export market to USA, and recovery of an account lost last year. AFF also posted an increase in revenue of RM5.2 million (17.6 per cent), mainly resulted from ad hoc spot shipments of E&E cargo to India & Oceania countries. As for DBS segment, CL division reported drop in revenue of RM9.1 million (14.2 per cent) whereas revenue posted by Trucking division rose by RM2.1 million (11.1 per cent). Included in CL division, significant drop in warehousing volume & export volume of a major electronic customer drove warehouse, haulage & custom clearance businesses to post significant revenue dip of RM6.5 million (22.9 per cent), RM1.4 million (13.8 per cent) and RM0.6 million (3.3 per cent) respectively. Discontinuation of business contract with a customer of auto business led to revenue drop of RM0.6 million (45.9 per cent) to auto business segment. As for Trucking division, new FMCG distribution businesses secured both in Peninsular & East Malaysia contributed to higher revenue of RM2.1 million (11.1 per cent).

PBT of the Group for Q2FY15/16 dropped by 11.9 per cent from RM10.9 million to RM9.6 million. PBT from IBS rose steeply from RM0.3 million to RM3.4 million, increased by RM3.1 million (1180.2 per cent). However, the increase was offset by PBT drop from DBS segment. PBT of DBS dropped from RM11.5 million to RM4.5 million, a reduction of RM7.0 million (60.5 per cent). Within IBS segment, AFF posted higher PBT of RM2.0 million from RM0.05 million to RM2.1 million quarter-on-quarter. As for IBS, increase revenue for above stated reasons coupled with good negotiated rates with carriers for ad hoc shipments contributed to higher profit margin & higher PBT to AFF business. Significant increase in container volume contribution from a newly secured solar panel customer drove PBT of OFF business to increase from RM0.2 million to RM1.3 million, an increase of RM1.1 million (497.2 per cent). As for DBS, PBT of CL division dropped sharply by RM7.2 million (62.1 per cent), from RM11.6 million to RM4.4 million while increase distribution business pushed Trucking division to better PBT from Loss Before Tax of RM0.1 million to PBT of RM0.1 million, an increase of RM0.2 million (247.3 per cent). As for CL division, PBT posted from warehouse, haulage, custom clearance & in-plant businesses dropped by RM5.4 million (94.9 per cent), RM0.5 million (23.4 per cent), RM0.5 million (34.3 per cent) & RM0.6 million (30.7 per cent) respectively. These drops were driven by drop in revenue due to reasons stated above.



B3. Comparison with Preceding Quarter's Results: July 2015 to September 2015 vs April 2015 to June 2015

The Group's revenue for the second quarter ended 30 September 2015 ("FY2Q15/16") was registered at RM127.9 million, as against revenue of RM118.8 million for the preceding quarter ended 30 June 2015 ("FY1Q15/16"). This represents an increase of RM9.0 million (7.6 per cent). Recovery trend for the quarter under review led to better revenue performance vis-a-vis the preceding quarter for both IBS and DBS, which recorded an increased revenue of RM6.2 million (13.6 per cent) and RM2.8 (3.9 per cent) respectively.

Within the IBS segment, AFF division posted revenue from RM34.1 million to RM34.5 million, an increase of RM0.3 million (1.0 per cent). The increase was mainly driven by increased ad hoc export air shipments of an existing E&E customers to India & Oceania countries as well as a newly secured customer in the second quarter. A new solar panel customer secured in June contributed significant export volume to OFF business and resulted in OFF posting tremendous revenue from RM11.5 million last quarter to RM17.3 million, an increase of RM5.8 million (50.7%). Within the DBS segment, the CL division posted an increase of RM1.9 million (3.6 per cent). Trucking division also posted an increase of RM0.9 million (4.6 per cent). Newly secured business of FMCG distribution in second quarter also contributed an increase in Trucking's revenue.

PBT for FY2Q15/16 increased from RM8.3 million posted in the preceding quarter to RM9.6 million in this quarter, an increase of RM1.3 million (16.0 per cent). PBT from IBS segment was reported at RM3.4 million, rose by RM1.3 million (64.2 per cent). Uptrend revenue coupled with good profit margins contributed from the ad hoc export shipments resulted AFF reported higher PBT from RM1.4 million to RM2.1 million, an increase of RM0.7 million (48.5 per cent). PBT of OFF business was up by RM0.7 million (97.3 per cent) from RM0.7 million to RM1.3 million, mainly resulting tremendous increased revenue & increased export shipments as well as better profit margin of US shipments. Although revenue of DBS increased slightly by 3.9 per cent, DBS posted a dip of PBT by RM0.9 million (16.3 per cent) from RM5.4 million to RM4.5 million. Despite slight revenue improvement, CL division registered a decrease of PBT of RM1.3 million (22.7 per cent), from RM5.7 million to RM4.4 million. Included in CL division business, significant drop in warehousing volume of major electronics customers impacted the warehouse business experienced big dip in PBT by RM1.8 million (85.8 per cent). Slight recovery trend of import and export shipments resulted haulage business reported higher PBT of RM0.6 million (57.5 per cent) in second quarter. Additional revenue from new secured accounts of distribution and reduction of fixed operating costs resulted better PBT from loss before tax of RM0.3 million in last quarter to PBT of RM0.1 million.

B4. Prospects for the Remaining Period to the End of the Financial Year

The International Monetary Fund ("IMF"), in its latest World Economic Outlook ("WEO") report dated October 2015, projected that global growth for 2015 will be at 3.1 percent, which is 0.3 percent lower than 2014 and 0.2 percent lower than its forecast in July 2015. According to the IMF, prospects across the main countries and regions remain uneven, with recovery in advanced economies expected to pick up slightly, while activity in emerging market and developing economies is projected to slow for the fifth year in a row. These observations were concurred by Bank Negara Malaysia ("BNM") which noted in its latest Monetary Policy Committee Statement dated November 2015 ("MPC") that economic recovery in major advanced economies has remained modest, while growth has slowed in most of Asia. Going forward, the IMF is of the opinion that downside risks to the outlook have risen, particularly for emerging market and developing economies, due to current environment of declining commodity prices, reduced capital flows to emerging markets and pressure on their currencies, and increasing financial market volatility.

In Malaysia, real GDP registered a moderate growth of 4.9 percent in the second quarter of 2015 (1Q2015: 5.6 percent). For the first half of 2015, economic growth registered at 5.3 percent which is 1.1 percent lower y-o-y (1H2014: 6.4 percent). With the performance of the Malaysian economy continuing to be affected by weak external environment, BNM expects domestic demand to remain the main driver of growth. Private consumption is however expected to moderate as households adjust to the higher cost of living amidst an uncertain economy. BNM is optimistic that despite a slowdown in investment in the oil and gas industry, investment is still being supported by infrastructure projects and capital spending by manufacturing and services industries. BNM is positive that the Malaysian economy will continue to benefit from having diversified sources of growth, economic flexibility, low unemployment, manageable level of external debt and a well-capitalised banking system, and has continue to forecast economic growth of 4.5 to 5.5 percent this year. It, however, recognised that the downside risks to growth remain high.

The prospects of the Group is closely tied to the performance of the Malaysian and world economies, factors which directly affect the health of the manufacturing sector and international trade. Whilst the quarter's performance are still below those of the comparative quarter in the previous financial year, we are encouraged to note that the performance gap is getting smaller, and volume in the later months have picked up as compared to earlier months. On the investment side, the Group is strategizing on ways to bring our performance to the next level, and increasing our warehousing capacities in key growth areas has been identified as one of the strategies going forward. For the rest of the financial year, the Group expects that its performance will move in tandem with the economic conditions. There remain downward risks for the Group, including contraction or slowdown in the growth of exports and imports in both the global as well as the domestic economy, and rising operational costs remains a concern. Under such conditions, we remain cautious about our performance for the remaining period to the end of the financial year.

**B4. Prospects for the Remaining Period to the End of the Financial Year (Continue)****B5. Profit Forecast**

Not applicable as there is no forecast / profit guarantee.

B6. Tax Expense

| | 3 months ended | | Cumulative 6 months ended | |
|----------------|----------------------|----------------------|------------------------------|----------------------|
| | 30.09.2015 RM'000 | 30.09.2014 RM'000 | 30.09.2015 RM'000 | 30.09.2014 RM'000 |
| Income tax | | | | |
| - Current tax | (3,401) | (3,063) | (5,889) | (7,068) |
| Deferred tax | | | | |
| - Current year | 931 | 284 | 1,273 | 983 |
| | (2,470) | (2,779) | (4,616) | (6,085) |

The Group's effective tax rate is higher than the statutory rate of 24% for the current quarter under review is mainly due to non deductible expenses..

B7. Corporate Proposals

Save for the proposed share split which was completed on 13th October 2015, there was no new proposal made for the quarter under review.

B8. Borrowing

| | | As at 30.09.2015 RM'000 | As at 31.03.2015 RM'000 |
|----------------------|-------------|-------------------------------|-------------------------------|
| Short term borrowing | | | |
| Bank loan | (unsecured) | 16,349 | 17,275 |
| Long term borrowing | | | |
| Bank loan | (unsecured) | 46,946 | 37,520 |
| | | 63,295 | 54,795 |

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

B9. Litigation

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

B10. Dividend Proposed

A final single tier dividend of 5.00 sen per share for the financial year ended 31 March 2015 totalling RM5,000,000 was approved by the shareholders in Annual General Meeting on 15 September 2015. The dividend was paid on 14 October 2015 to shareholders whose names appear on the Record of Depositors at the close of business on 30 September 2015.



B11. Earnings Per Share

| | 3 months ended | | Cumulative 6 months ended | |
|--|----------------|------------|------------------------------|------------|
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| PAT after non-controlling interest (RM'000) | 7,096 | 8,085 | 13,184 | 18,054 |
| Weighted average number of ordinary shares in issue ('000) | 100,000 | 100,000 | 100,000 | 100,000 |
| Earnings per share (sen) | 7.10 | 8.09 | 13.18 | 18.05 |

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2015. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 30 September 2015, 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 | 63,295 | 15,282 | For hedging currency risk in bank term loan |
| 2. Forward currency contracts: - Less than 1 year | 173 | - | 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.

B13. Realised And Unrealised Profits/Losses Disclosure

| | As at 30.09.2015 RM'000 | As at 31.03.2015 RM'000 |
|---|-------------------------------|-------------------------------|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries:- | | |
| - Realised | 228,440 | 216,778 |
| - Unrealised | (11,323) | (7,856) |
| | 217,116 | 208,922 |
| Total shares of retained profits/(accumulated losses) from associated companies:- | | |
| - Realised | 1,464 | 1,148 |
| - Unrealised | - | - |
| | 218,580 | 210,069 |
| Less: Consolidation adjustments | (13,595) | (13,268) |
| Total group retained profits as per consolidated accounts | 204,985 | 196,801 |

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.



B14. Profit for the period

| | 3 months ended | | Cumulative 6 months ended | |
|---|----------------------|----------------------|------------------------------|----------------------|
| | 30.09.2015 RM'000 | 30.09.2014 RM'000 | 30.09.2015 RM'000 | 30.09.2014 RM'000 |
| Profit for the period is arrived at after crediting: | | | | |
| Interest income | 249 | 170 | 492 | 347 |
| Other income | 185 | 178 | 578 | 324 |
| Foreign exchange gain | 582 | - | 627 | - |
| Unrealised foreign exchange gain | - | - | - | - |
| and after charging: | | | | |
| Interest expenses | 413 | 328 | 1,663 | 557 |
| Depreciation | 4,742 | 4,165 | 9,600 | 8,401 |
| Provision for/write off receivables | - | - | - | - |
| Provision for/write off inventories | - | - | - | - |
| Foreign exchange loss | - | 41 | - | 308 |
| Unrealised foreign exchange 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 2015 (30 September 2014: Nil)