TASCO Berhad
(Company No: 20218-T)

TASCO
NYK GROUP COMPANY

Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2016

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-September-2016

	3 months ended		Cumulative 6 months ended	
	30.09.2016	**30.09.2015**	**30.09.2016**	**30.09.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Revenue	148,126	127,878	277,816	246,722
Cost of sales	(110,542)	(95,553)	(207,959)	(183,298)
Gross profit	**37,584**	**32,325**	**69,857**	**63,424**
Other operating income	580	1,016	1,024	1,697
General and administrative expenses	(27,161)	(23,495)	(51,120)	(45,914)
Profit from operations	**11,003**	**9,846**	**19,761**	**19,207**
Share of profits of associated companies	102	158	206	316
Finance costs	(209)	(413)	(923)	(1,663)
Profit before taxation	**10,896**	**9,591**	**19,044**	**17,861**
Tax expense	(2,730)	(2,470)	(4,798)	(4,616)
Profit for the period	**8,166**	**7,121**	**14,246**	**13,245**
Profit Attributable to:				
Owners of the Company	8,125	7,096	14,134	13,184
Non-Controlling Interest	41	25	112	61
	8,166	**7,121**	**14,246**	**13,245**
Earnings per share (sen) - basic	4.06	3.55	7.07	6.59

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-September-2016

	3 months ended		Cumulative 6 months ended	
	30.09.2016	**30.09.2015**	**30.09.2016**	**30.09.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Profit for the period	**8,166**	**7,121**	**14,246**	**13,245**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	(161)	(427)	(349)	(345)
Fair Value adjustment on cash flow hedge	147	744	(63)	(181)
Other comprehensive income/(Loss) for the period, net of tax	(14)	317	(412)	(527)
Total Comprehensive Income	**8,152**	**7,438**	**13,834**	**12,718**
Total Comprehensive Income attributable to:				
Owners of the Company	8,111	7,413	13,722	12,657
Non-Controlling Interest	41	25	112	61
	8,152	**7,438**	**13,834**	**12,718**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

T ASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Financial Position as at 30-September-2016

	As at 30.09.2016 RM'000 Unaudited	As at 31.03.2016 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	236,063	238,773
Investment in associated company	4,160	3,954
Other investments	1,079	1,009
Total non-current assets	**241,302**	**243,736**
Current assets		
Inventories	134	156
Trade receivables	98,066	83,346
Other receivables, deposits and prepayments	18,896	16,339
Amount owing by immediate holding company	3,579	3,627
Amounts owing by related companies	8,361	4,711
Amounts owing by associated company	-	5
Current tax asset	5,982	5,930
Fixed deposits with a licensed bank	52,162	62,768
Cash and bank balances	29,411	29,817
Total current assets	**216,591**	**206,699**
TOTAL ASSETS	**457,893**	**450,435**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Financial Position as at 30-September-2016

	As at 30.09.2016 RM'000 Unaudited	As at 31.03.2016 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	(676)	(613)
Exchange translation reserve	(461)	(112)
Retained profits	227,542	218,408
Equity attributable to owners of the Company	328,606	319,884
Non-controlling interest	984	872
Total equity	**329,590**	**320,756**
Non-current liabilities		
Long term bank loan	25,420	29,784
Deferred tax liabilities	8,138	8,827
Total non-current liabilities	**33,558**	**38,611**
Current liabilities		
Trade payables	41,047	32,044
Other payables, deposits and accruals	23,700	30,160
Amount owing to immediate holding company	1,508	1,724
Amounts owing to related companies	4,264	3,276
Amounts owing to associated company	698	344
Dividend payable	5,000	-
Bank term loan	14,422	16,243
Current tax liabilities	4,106	7,277
Total current liabilities	**94,745**	**91,068**
Total liabilities	**128,303**	**129,679**
TOTAL EQUITY AND LIABILITIES	**457,893**	**450,435**
Net Assets per share (RM)	**1.64**	**1.60**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-September-2016

	Attributable to Owners of the Company								
	Non-distributable					Distributable			
	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**	**Total equity RM'000**
Balance at 1 April 2015	100,000	801	1,400	242	(148)	196,801	299,096	769	299,865
Total comprehensive income for the period	-	-	-	(181)	(345)	13,184	12,657	61	12,718
Dividend approved and declared on 15 September 201	-	-	-	-	-	(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**
Balance at 1 April 2016	100,000	801	1,400	(613)	(112)	218,408	319,884	872	320,756
Total comprehensive income for the period	-	-	-	(63)	(349)	14,134	13,722	112	13,834
Dividend approved and declared on 28 September 201	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 30 September 2016	**100,000**	**801**	**1,400**	**(676)**	**(461)**	**227,542**	**328,606**	**984**	**329,590**

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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-2016

	Year-To-Date Ended	
	30.09.2016	**30.09.2015**
	RM'000	**RM'000**
	Unaudited	**Unaudited**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,044	17,861
Adjustments for:		
Depreciation	8,590	9,600
Gain on disposal of property, plant and equipment	573	(341)
Property, plant and equipment written off	3	(52)
Share of profits of associated company, net of tax	(206)	(316)
Interest income	(728)	(492)
Interest expense	923	1,663
Operating profit before working capital changes	**28,199**	**27,923**
Net Changes in current assets	(15,070)	(4,978)
Net Changes in current liabilities	(2,734)	(14,372)
Cash generated from operations	10,395	8,573
Tax paid	(8,628)	(869)
Net Cash generated from operating activities	**1,767**	**7,704**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,501)	(2,761)
Proceeds from disposal of property, plant and equipment	153	341
Purchase of other investment	(70)	-
Interest received	728	492
Net cash used in investing activities	**(4,690)**	**(1,929)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	8,000
Repayment of term loan	(7,201)	(8,526)
Payment of hire purchase and finance lease liabilities	-	(6)
Interest paid	(923)	(1,663)
Net cash used in financing activities	**(8,124)**	**(2,195)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(11,047)**	**3,580**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	92,586	57,081
EFFECT OF EXCHANGE RATE CHANGES	34	140
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**81,573**	**60,801**
Represented by:		
Fixed deposits with a licensed bank	52,162	38,516
Cash and bank balances	29,411	22,286
	81,573	**60,801**

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 year ended 31 March 2016. 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 year ended 31 March 2016.

A2. Adoption of Standards, Amendments and Annual Improvements to Standards

(a) Application of new or revised standards

In the current period, the Group and the Company applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2016.

The adoption of these new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

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

MFRSs, Amendments to MFRSs and IC Interpretation		**Effective Date**
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

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.

<u>Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting</u>

A2. Adoption of Standards, Amendments and Annual Improvements to Standards (Continue)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2016 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.

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

A9. Segmental Reporting

	Segmental Revenue 6 months Ended ended		Segmental Result (PBT) 6 months Ended ended	
	30.09.2016 RM'000	**30.09.2015 RM'000**	**30.09.2016 RM'000**	**30.09.2015 RM'000**
International Business Solutions				
Air Freight Forwarding Division	71,927	68,625	1,262	3,501
Ocean Freight Forwarding Division	44,676	28,814	4,358	1,989
	116,603	**97,439**	**5,620**	**5,490**
Domestic Business Solutions				
Contract Logistics Division	118,869	107,368	13,216	10,068
Trucking Division	42,344	41,915	(873)	(118)
	161,213	**149,283**	**12,343**	**9,950**
Others	-	-	1,081	2,421
Total	**277,816**	**246,722**	**19,044**	**17,861**

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 30.09.2016 RM'000	**As at 30.09.2015 RM'000**
Authorised and contracted for		
- acquisition of property, plant and equipment	7,699	4,750

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

A15. Related Party Disclosures

	6 months ended	
	30.09.2016 RM'000	**30.09.2015 RM'000**
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	249	265
Labour charges paid and payble to subsidiary companies	12,376	10,894
Maintenance charges paid and payable to a subsidiary company	3,433	2,712
Handling fees paid and payable to a subsidiary company	872	307
Handling fees received and receivable from a subsidiary company	137	-
Related logistic services received and receivable from a subsidiary company	1,146	2,044
Rental of premises paid and payable to a subsidiary company	2,267	2,002
Rental of trucks received and receivable from subsidiary company	1,980	1,716
	=============	=============
Transaction with immediate holding company		
Related logistic services received and receivable	19,685	19,676
Related logistic services paid and payable	7,134	6,171
Transaction with related companies		
Related logistic services received and receivable	20,276	18,160
Related logistic services paid and payable	25,667	24,280
Management fee paid and payable	1,269	1,730
Consultancy fees paid and payable	293	307
Rental received	150	150
Repair and maintenance services	216	229
	=============	=============
Transaction with associated company		
Rental of premises paid	564	564
Accounting fee paid to an associated company	10	10
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Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

B1. Performance Review : Year-to-date April 2016-September 2016 vs Year-to-date April 2015-September 2015

The Group achieved revenue of RM277.8 million for the financial period ended ("FPE") 30 September 2016 as against RM246.7 million a year earlier, an increase of RM31.1 million (12.6 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions (IBS) was up by RM19.2 million (19.7 per cent) whereas Domestics Business Solutions (DBS) segment also showed an increase in revenue of RM11.9 million (8.0 per cent) y-o-y respectively.

In the IBS segment, increase in export shipment volume of electronics, capacitors and aerospace customers as well as a project cargo of garment exportation to Japan drove Air Freight Forwarding ("AFF") division to post an increase of RM3.3 million (4.8 per cent) in revenue, from RM68.6 million to RM71.9 million. For Ocean Freight Forwarding ("OFF") division, export shipments of a solar panel and aerospace manufacturers drove revenue of OFF division to hike by an increase of RM15.9 million (55.0 per cent). As for the DBS, Contract Logistics ("CL") posted an increase of RM11.5 million (10.7 per cent) and Trucking division showed an increase of RM0.4 million (1.0 per cent). Within CL business, significant increase in export shipments & volume contribution from existing major electronics & solar panel customers resulted in custom clearance and haulage businesses to record increases in revenue of RM8.4 million (24.5 per cent) and RM3.0 million (18.1 per cent) respectively. Warehouse and in-plant businesses remained constant, with the former posting a slight increase of RM0.2 million (0.4 per cent) in revenue while the later reported a slight reduction in revenue of RM0.04 million (0.5 per cent). Trucking division, meanwhile, recorded higher revenue by RM0.4 million (1.0 per cent). Revenue from cross border business reduced by approximately RM4.2 million but the drop was offset by approximately RM4.9 million revenue contribution from newly secured FMCG & tele-communication distribution businesses in Peninsular & East Malaysia.

Profit before taxation ("PBT") for the year-to-date ended 30 September 2016 increased to RM19.0 million from RM17.9 million, an increase of RM1.2 million (6.6 per cent), while profit for the same period went up from RM13.2 million to RM14.2 million (7.6 per cent) y-o-y. IBS segment posted an increase in PBT of RM0.1 million (2.4 per cent) from RM5.5 million to RM5.6 million. DBS segment also performed credibly, reporting an increase of PBT by RM2.4 million (24.1 per cent), from RM9.9 million to RM12.3 million. As for IBS business, although AFF posted higher revenue, lower margin and competitive business contracts resulted in higher operating costs to AFF business, resulting in lower PBT by RM2.2 million (64.0 per cent). On the other hand, strong volume support from a solar panel customer boosted PBT of OFF business from RM2.0 million to RM4.4 million, increased by 119.1 per cent or RM2.4 million. As for DBS segment, CL business reported a PBT increase of RM3.1 million (31.3 per cent), from RM10.1 million to RM13.2 million. However, it was offset by increase in loss before tax of RM0.7 million (636.0 per cent) in Trucking division. The higher loss of Trucking business was caused by increased operating costs for local distribution as well as cross border shipments resulted from weakened ringgit. CL business's better PBT was due to better performances in custom clearance and haulage businesses coupled with improved bottom line of warehouse business in Southern region, which posted increases in PBT by RM0.8 million (39.6 per cent), RM1.2 million (44.1 per cent) and RM1.3 million (48.7 per cent) respectively. PBT of in-plant business however dropped by RM0.1 million (5.6 per cent).

B2. Comparison with Previous Year Corresponding Quarter's Results : July 2016 to September 2016 vs July 2015 to September 2015

The Group's revenue for the second financial quarter ended 30 September 2016 ("Q2FY2017") was posted at RM148.1 million, as against revenue of RM127.9 million for the second financial quarter ended 30 September 2015 ("Q2FY2016"). This represents an increase of 15.8 per cent (RM20.2 million). Both IBS and DBS segments reported higher revenue against Q2FY2016. Revenue of IBS increased by RM11.5 million (22.2 per cent), from RM51.8 million to RM63.3 million. Revenue from DBS segment increased from RM76.1 million to RM84.8 million, an increase of RM8.7 million (11.5 per cent). Within IBS segment, export shipment volume contribution from electronics, capacitor and aerospace customers resulted revenue of AFF business rose from RM34.5 million to RM38.3 million, increased by RM3.8 million (11.1 per cent). Surge of export shipments of a solar panel customer to USA & China market drove OFF business reported revenue hike from from RM17.3 million to RM25.0 million, increased by RM7.7 million (44.4 per cent). As for DBS segment, revenue posted from CL business increased by RM7.6 million (13.9 per cent), from RM54.6 million to RM62.2 million. Increase export shipments of existing major electronics customers as well as import shipments contributed from a newly secured solar panel customers caused custom clearance and haulage businesses posted strong revenue by increases of RM4 million (21.7 per cent) and RM1.6 million (20.3 per cent) respectively. Revenue from warehouse and in-plant businesses rose by RM1.7 million (7.5 per cent) and RM0.1 million (2.1 per cent) respectively. Newly secured FMCG and tele-communication distribution business resulted Trucking business showed a revenue improvement of RM1.1 million (5.4 per cent) as against Q2FY2016 result.

Within IBS segment, AFF experienced a drop in PBT of RM1.4 million from RM2.1 million to RM0.7 million quarter-on-quarter. The significant drop in PBT of AFF business was mainly resulted from lower margin and competitve rates of securing business contracts to major customers. However, the drop in AFF's PBT was somewhat offset by significant PBT increase in OFF business. Significant export volume contribution from a major solar panel customer resulted in PBT of OFF business rose from RM1.3 million to RM3.0 million, increased by RM1.7 million (127.6 per cent) y-o-y. On the DBS segment side, PBT of CL business rose from RM4.4 million to RM6.6 million, an increase of RM2.2 million (50.0 per cent). The biggest increases were contributed from strong support of export & import shipments of from existing electronics as well as newly-secured solar panel business from custom clearance and haulage businesses. PBT of custom clearance and haulage businesses rose by RM0.4 million (46.2 per cent) and RM0.6 million (34.2 per cent) respectively. Significant PBT improvement through cost efficiency activities and improved revenue of warehouse business in Southern region largely drove warehouse business to report higher PBT by RM1.2 million (291.9 per cent), from RM0.4 million to RM1.6 million quarter-to-quarter. On the other hand, high operating costs impacted PBT of Trucking business dropped by RM0.1 million (89.0 per cent).

B3. Comparison with Preceding Quarter's Results: July 2016 to September 2016 vs April 2016 to June 2016

The Group's revenue of the second quarter ended 30 September 2016 ("2QFY2017") was registered at RM148.1 million, as against revenue of RM129.7 million of the preceding quarter ended 30 June 2016. This represents an increase of RM18.4 million (14.2 per cent). IBS segment posted an increase of RM4.7 million (14.0 per cent), while DBS segment also recorded better sales result by RM8.4 million (10.9 per cent) as against preceding quarter.

Within the IBS segment, strong export volume from major electronics customers pushed higher revenue of AFF business to RM38.3 million, increased by RM4.7 million (14.0 per cent) from RM33.6 million against preceding quarter. On the other hand, tremendous sea shipments support from a solar panel manufacturer which were exported to USA & China market contributed revenue hikes to OFF business. Sales rose from RM19.6 million to RM25.0 million, an increase of RM5.4 million (27.3 per cent). Within the DBS segment, the CL division posted an increase of RM5.5 million (9.8 per cent). Custom clearance and haulage businesses continued to perform well in the second quarter. Increase export shipments of existing major electronics and solar panel customers coupled with import shipments contribution by a newly-secured solar panel customer drove revenue of custom clearance and haulage businesses rose by RM2.6 million (12.9 per cent) and RM1.4 million (RM16.0 per cent) respectively. Whereas warehouse and in-plant business slightly increased by RM0.8 million (3.5 per cent) and RM0.7 million (16.2 per cent) respectively, Meanwhile, Trucking division also posted an increase of RM2.9 million (14.3 per cent) as against preceding quarter which was largely due to new distribution businesses for FMCG and tele-communication cargoes.

PBT for 2QFY2017 increased from RM8.1 million to RM10.9 million as against preceding quarter, a increase of RM2.7 million (33.7 per cent). PBT of IBS segment rose from RM1.9 million to RM3.6 million, an increase of RM1.7 million (88.5 per cent). Tremendous shipment volume contribution from solar panel customer caused OFF business to record higher PBT of RM3.0 million against RM1.3 million of preceding quarter. As for AFF, the PBT of AFF business increased by RM0.07 million (12.4 per cent). PBT from DBS segment was improved, increased from RM5.7 million to RM6.6 million, an increase of RM0.8 million (14.8 per cent). CL business reported lower PBT by RM0.06 million (0.8 per cent), of which it was mainly due to decrease in PBT of warehouse (RM0.7 million, 30.0 per cent) and custom clearance (RM0.04 million, 2.9 per cent) businesses. Slow cargo movement and reduced handling volume of a warehouse in Southern region in the second quarter caused lower PBT to warehouse business. However, it was partially offset by an increase in PBT from haulage and in-plant businesses by RM0.5 million (32.3 per cent) and RM0.2 million (13.5 per cent) respectively. As for Trucking division, Improved business performance and operation from trucking consolidation activities led its business to record higher PBT from loss before tax of RM0.9 million to PBT of RM0.02 million, an increase of RM0.9 million (101.8 per cent).

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

Global growth again fell short of expectation in 2016. The International Monetary Fund ("IMF"), in its latest World Economic Outlook ("WEO") report dated October 2016, has maintained projected growth to slow to 3.4 percent for 2016, a 0.1 percentage point downward revision relative to its April 2016 forecast. According to the WEO report, the forecast reflects a more subdued outlook for advance economies following the June U.K. vote in favour of leaving the European Union (Brexit) and weaker than expected growth in the U.S. These developments have put further downward pressure on global interest rates, as monetary policy is now expected to remain accomodative for longer. Nevertheless, financial market sentiment toward emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices. But prospects differ sharply across countries and regions. (Source: WEO dated October 2016)

As a trading nation, Malaysia is affected by the global slowdown, directly or indirectly. Bank Negara Malaysia ("BNM") announced on 11 November 2016 that the Malaysian economy grew by 4.3 percent in the third quarter of 2016 (2Q2016: 4.0 percent). This marks the strongest expansion since the fourth quarter of 2015, as an increase in private consumption of 6.4 percent y-o-y offset a decline in exports (-1.3 percent) and a slowdown in government spending. Import also fell 2.3 percent as compared to a 2.0 percent growth in the previous quarter. Going forward, BNM said that domestic demand will continue to be the main growth driver of the domestic economy, and maintain its forecast of GDP growth of 4 to 4.5 percent for 2016. The Malaysian Institute of Economic Research meanwhile maintains Malaysia's real GDP growth for 2016 at 4.2 percent in its October 2016 Malaysia Economic Outlook report.

The prospects of the Group is closely tied to the performance of the Malaysian and world economy, as our core businesses are directly affected by the the health of the manufacturing sector and international trade. While the results of the Group have been quite encouraging thus far, the Group remains cautious in its prospects for the remaing period to the end of the financial year. The impact on the global economy arising from recent political events such as Brexit and the unexpected election of Trump in the U.S. are still being played out and remain unclear. Going forward, the Group expects that its performance will move in tandem with the global and domestic economies. Downside risks for the Group include, amongst others, contraction or further slowdown in the global and domestic economy and rising operational costs which will have a time lag to pass on to customers. On the investment side, the Group remains committed to bring our performance to the next level by investing in strategic logistic assets and facilities, such as warehousing capacities in key growth areas and specialized logistics facilities such as cold chain logistics assets.

B5. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B6. Tax Expense

	3 months ended		Cumulative 6 months ended	
	30.09.2016 RM'000	**30.09.2015 RM'000**	**30.09.2016 RM'000**	**30.09.2015 RM'000**
Income tax				
- Current tax	(3,552)	(3,401)	(5,628)	(5,889)
Deferred tax				
- Current year	822	931	830	1,273
	(2,730)	(2,470)	(4,798)	(4,616)

The Group's effective tax rate for the cumulative 6 months ended 30 September 2016 was above the statutory rate of 24% for the current quarter under review is mainly due to non-deductible expenses.

B7. Corporate Proposals

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

B8. Borrowing

		As at 30.09.2016 RM'000	As at 31.03.2016 RM'000
Short term borrowing			
Bank loan	(unsecured)	14,422	16,243
Long term borrowing			
Bank loan	(unsecured)	25,420	29,784
		39,842	46,027

The borrowings for the bank term loan 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 single-tier final dividend of 2.5 sen per share for the financial year ended 31 March 2016 totalling RM5,000,000 was approved by the shareholders in Annual General Meeting on 28 September 2016. The dividend will be paid on 28 October 2016 to shareholders whose names appear on the Record of Depositors of the Company at the close of business on 14 October 2016.

B11. Earnings Per Share

	3 months ended		Cumulative 6 months ended	
	30.09.2016	**30.09.2015**	**30.09.2016**	**30.09.2015**
PAT after non-controlling interest (RM'000)	8,125	7,096	14,134	13,184
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	4.06	3.55	7.07	6.59

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2016. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 30 September 2016, the Group has the following outstanding derivative financial instruments:

Derivatives	**Contract or Notional amount as at 30.09.2016 RM'000**	**Contract or Notional amount as at 30.09.2015 RM'000**	**Fair value net gains or (loses) 30.09.2016 RM'000**	**Fair value net gains or (loses) 30.09.2015 RM'000**	**Purpose**
1. Cross currency swap Contracts:					
- More than 3 years	39,842	63,295	6,768	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 30.09.2016 RM'000	**As at 31.03.2016 RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	252,939	239,278
- Unrealised	(12,850)	(7,873)
	240,089	231,405
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	1,160	954
- Unrealised	-	-
	241,249	232,359
Less: Consolidation adjustments	(13,707)	(13,951)
Total group retained profits as per consolidated accounts	**227,542**	**218,408**

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	
	30.09.2016 RM'000	**30.09.2015 RM'000**	**30.09.2016 RM'000**	**30.09.2015 RM'000**
Profit for the period is arrived at after crediting:				
Interest income	312	249	728	492
Other income	268	185	296	578
Foreign exchange gain	-	582	-	627
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	209	413	923	1,663
Depreciation	4,700	4,742	8,590	9,600
Provision for/write off receivables	-	-	-	-
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	92	-	434	-
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 derivaties or exceptional item for current quarter and financial period ended 30 September 2016 (30 September 2015: Nil)