TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2016

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-December-2016

	3 months ended		Cumulative 9 months ended	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Revenue	159,194	143,670	437,010	390,392
Cost of sales	(119,915)	(106,971)	(327,874)	(290,269)
Gross profit	**39,279**	**36,699**	**109,136**	**100,123**
Other operating income	848	1,199	1,872	2,896
General and administrative expenses	(27,557)	(26,102)	(78,677)	(72,016)
Profit from operations	**12,570**	**11,796**	**32,331**	**31,003**
Share of profits of associated companies	104	54	310	370
Finance costs	(360)	(64)	(1,283)	(1,727)
Profit before taxation	**12,314**	**11,786**	**31,358**	**29,646**
Tax expense	(3,260)	(2,817)	(8,058)	(7,433)
Profit for the period	**9,054**	**8,969**	**23,300**	**22,213**
Profit Attributable to:				
Owners of the Company	9,011	8,963	23,145	22,146
Non-Controlling Interest	43	6	155	67
	9,054	**8,969**	**23,300**	**22,213**
Earnings per share (sen) - basic	4.51	4.48	11.57	11.07

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 31-December-2016

	3 months ended		Cumulative 9 months ended	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Profit for the period	**9,054**	**8,969**	**23,300**	**22,213**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	278	107	(71)	(238)
Fair Value adjustment on cash flow hedge	159	(845)	96	(1,026)
Other comprehensive income/(Loss) for the period, net of tax	437	(738)	25	(1,264)
Total Comprehensive Income	**9,491**	**8,231**	**23,325**	**20,949**
Total Comprehensive Income attributable to:				
Owners of the Company	9,448	8,225	23,170	20,882
Non-Controlling Interest	43	6	155	67
	9,491	**8,231**	**23,325**	**20,949**

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 31-December-2016

	As at 31.12.2016 RM'000 Unaudited	As at 31.03.2016 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	234,000	238,773
Investment in associated company	4,264	3,954
Other investments	1,079	1,009
Total non-current assets	**239,343**	**243,736**
Current assets		
Inventories	131	156
Trade receivables	94,123	83,346
Other receivables, deposits and prepayments	24,719	16,339
Amount owing by immediate holding company	5,891	3,627
Amounts owing by related companies	8,029	4,711
Amounts owing by associated company	-	5
Current tax asset	5,986	5,930
Fixed deposits with a licensed bank	42,734	62,768
Cash and bank balances	39,230	29,817
Total current assets	**220,843**	**206,699**
TOTAL ASSETS	**460,186**	**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 31-December-2016

	As at 31.12.2016 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	(517)	(613)
Exchange translation reserve	(183)	(112)
Retained profits	236,553	218,408
Equity attributable to owners of the Company	338,054	319,884
Non-controlling interest	1,027	872
Total equity	**339,081**	**320,756**
Non-current liabilities		
Long term bank loan	23,736	29,784
Deferred tax liabilities	8,025	8,827
Total non-current liabilities	**31,761**	**38,611**
Current liabilities		
Trade payables	38,710	32,044
Other payables, deposits and accruals	24,203	30,160
Amount owing to immediate holding company	1,023	1,724
Amounts owing to related companies	6,281	3,276
Amounts owing to associated company	897	344
Bank term loan	15,156	16,243
Current tax liabilities	3,074	7,277
Total current liabilities	**89,344**	**91,068**
Total liabilities	**121,105**	**129,679**
TOTAL EQUITY AND LIABILITIES	**460,186**	**450,435**
Net Assets per share (RM)	**1.69**	**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 31-December-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	299,097	769	299,866
Total comprehensive income for the period	-	-	-	(1,026)	(238)	22,146	20,882	67	20,949
Dividend paid on 14 October 2015	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 31 Dec 2015	**100,000**	**801**	**1,400**	**(784)**	**(386)**	**213,948**	**314,979**	**836**	**315,815**
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	-	-	-	96	(71)	23,145	23,170	155	23,325
Dividend paid on 28 October 2016	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 31 Dec 2016	**100,000**	**801**	**1,400**	**(517)**	**(183)**	**236,553**	**338,054**	**1,027**	**339,081**

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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 31-December-2016

	Year-To-Date Ended	
	31.12.2016 RM'000 Unaudited	31.12.2015 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,358	29,646
Adjustments for:		
Depreciation	12,854	14,141
Gain/(Loss) on disposal of property, plant and equipment	(41)	568
Property, plant and equipment written off	3	(52)
Share of profits of associated company, net of tax	(310)	(370)
Interest income	(1,133)	(745)
Interest expense	1,283	1,727
Operating profit before working capital changes	**44,014**	**44,915**
Net Changes in current assets	(16,145)	(11,127)
Net Changes in current liabilities	(2,803)	(3,287)
Cash generated from operations	25,066	30,501
Tax paid	(12,610)	(2,428)
Net Cash generated from operating activities	**12,456**	**28,073**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,675)	(5,700)
Proceeds from disposal of property, plant and equipment	161	341
Purchase of other investment	(70)	(11)
Interest received	1,133	745
Net cash used in investing activities	**(6,451)**	**(4,625)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	8,000
Repayment of term loan	(10,339)	(12,789)
Payment of hire purchase and finance lease liabilities	-	(5)
Interest paid	(1,283)	(1,727)
Dividend paid	(5,000)	(5,000)
Net cash used in financing activities	**(16,622)**	**(11,521)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(10,617)**	**11,927**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	92,586	57,081
EFFECT OF EXCHANGE RATE CHANGES	(5)	65
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**81,964**	**69,073**
Represented by:		
Fixed deposits with a licensed bank	42,734	48,822
Cash and bank balances	39,230	20,251
	81,964	**69,073**

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
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 12	Annual Improvements to MFRS 2014-2016 Cycle	1 January 2017
Amendments to MFRS 1, and MFRS 128	Annual Improvements to MFRS 2014-2016 Cycle	1 January 2018

Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

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.

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 period 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.

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

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows in the current quarter under review.

A6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter under review.

A7. Issuances, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A8. Dividends Paid

A final single-tier dividend of 2.5 sen per share for the financial year ended 31 March 2016 amounting to RM5,000,000 was paid on 28 October 2016.

No interim or final dividends for financial year end 31 March 2017 were paid in the current quarter under review.

A9. Segmental Reporting

	Segmental Revenue 9 months ended		Segmental Result (PBT) 9 months ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
International Business Solutions				
Air Freight Forwarding Division	121,472	108,685	3,024	6,690
Ocean Freight Forwarding Division	69,486	46,461	7,637	3,409
	190,958	**155,146**	**10,661**	**10,099**
Domestic Business Solutions				
Contract Logistics Division	181,417	170,998	20,591	18,310
Trucking Division	64,635	64,248	(1,538)	(1,394)
	246,052	**235,246**	**19,053**	**16,916**
Others	-	-	1,644	2,631
Total	**437,010**	**390,392**	**31,358**	**29,646**

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 except for:

On 9 January 2017, the Company entered into a Sale and Purchase Agreement ("SPA") for the acquisition of 2,000,000 ordinary shares of RM1.00 each in Gold Cold Transport Sdn Bhd ("GCT") ("GCT Shares"), representing 100% equity interest in GCT, for an indicative cash consideration of RM186,086,428 subject to a maximum purchase consideration of RM188,000,000 and further adjustments as set out in SPA ("Proposed GCT Acquisition").

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

A11. Subsequent Events (continue)

On 23 January 2017, the Company entered into the following agreements with Swift Integrated Logistics Sdn. Bhd. ("SILS"):

(i) sale and purchase agreement ("SPA") for the acquisition of six (6) parcels of leasehold lands all located in Pulau Indah measuring approximately 159,935 square metres (approximately 39.52 acres) in total, together with the furniture, fixtures, fittings and building(s) erected thereon (save for the fixtures, fittings and building erected on PT 128574) and bearing postal address at Lot 36, Jalan Perigi Nenas 7/2, Taman Perindustrian Pulau Indah (Westport), 42920 Pelabuhan Klang, Selangor ("Properties") for a cash consideration of RM113,827,400 ("Properties Purchase Consideration") ("Proposed Properties Acquisition"); and

(ii) share sale agreement ("SSA") for the acquisition of 3,000,000 ordinary shares of RM1.00 each and 2,800,000 redeemable convertible preference shares ("RCPS") of RM0.10 each in MCCL ("Sale Shares"), representing the entire issued and paid-up capital of MCCL, for a cash consideration of RM9,925,100 ("Share Purchase Consideration") as well as the assumption of loans received by MCCL from SILS with an outstanding balance of RM20,000,000 ("Shareholder's Loan"), for a total cash consideration of RM29,925,100 ("Proposed Share Acquisition").

(The Proposed Properties Acquisition and Proposed Share Acquisition are collectively referred to as the "Proposed Westport Acquisition").

The Proposed GCT Acquisition and Proposed Westport Acquisition are subject to inter-alia the following approvals being obtained from:

(i) the shareholders of TASCO at an Extraordinary General Meeting ("EGM") to be convened;

(ii) the banks and financial institutions which have granted banking or other credit facilities to GCT Group for the proposed GCT Acquisition, if required;

(iii) the financiers of TASCO to replace the personal/ corporate guarantees issued by the Vendors and Gold Cold Trading Sdn Bhd (a related company of the Vendors) with the corporate guarantees issued by TASCO for the proposed GCT Acquisition;

(iv) the consent of the state authority for the Proposed Properties Acquisition; and

(v) any other approvals of relevant authorities and/or parties, if required.

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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	117,660	887
- acquisition of shares	217,925	-
	335,585	887

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

A15. Related Party Disclosures

	9 months ended	
	31.12.2016	**31.12.2015**
	RM'000	**RM'000**
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	151	397
Labour charges paid and payble to subsidiary companies	19,294	16,181
Maintenance charges paid and payable to a subsidiary company	4,943	4,394
Handling fees paid and payable to a subsidiary company	1,371	640
Handling fees received and receivable from a subsidiary company	225	-
Related logistic services received and receivable from a subsidiary company	2,891	2,518
Rental of premises paid and payable to a subsidiary company	3,401	3,438
Rental of trucks received and receivable from subsidiary company	3,027	3,041
	=============	=============
Transaction with immediate holding company		
Related logistic services received and receivable		
Related logistic services paid and payable		
Transaction with related companies		
Related logistic services received and receivable	67,013	50,738
Related logistic services paid and payable	53,743	42,634
Management fee paid and payable	2,254	2,569
IT & System fees paid and payable	443	459
Rental received	225	225
Repair and maintenance services	313	385
	=============	=============
Transaction with associated company		
Rental of premises paid	846	847
Accounting fee paid to an associated company	14	14
	=============	=============

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

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

The Group achieved revenue of RM437.0 million for the financial period ended ("FPE") 31 December 2016 as against RM390.4 million a year earlier, an increase of RM46.6 million (11.9 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions (IBS) was up by RM35.8 million (23.1 per cent) whereas Domestics Business Solutions (DBS) segment also showed an increase in revenue of RM10.8 million (4.6 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 RM12.8 million (11.8 per cent), from RM108.7 million to RM121.5 million y-o-y. As for Ocean Freight Forwarding ("OFF") division, export shipments of solar panel and aerospace as well as tele-communication customers drove revenue of OFF division to a sharp hike by an increase of RM23.0 million (49.6 per cent), from 46.5 million to RM69.5 million. As for the DBS, Contract Logistics ("CL") posted an increase of RM10.4 million (6.1 per cent) whereas Trucking division showed a slight increase of RM0.4 million (0.6 per cent). Within CL business, increased shipments & volume contribution from existing major electronics, solar panel and paper products customers resulted in Custom Clearance and Haulage businesses to record increases in revenue of RM9.6 million (16.9 per cent) and RM4.1 million (15.2 per cent) respectively. However, warehouse businesses experienced revenue reduction by RM3.3 million (4.5 per cent) as major electronics customers directly shipped out cargo from factories hence reducing warehousing activities. Revenue generated from In-plant business was lower by RM0.02 million (0.2 per cent). Trucking division, meanwhile, recorded higher revenue despite cross border business declined by approximately RM5.6 million, but the drop was offset by approximately RM6.3 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 31 December 2016 increased to RM31.3 million from RM29.6 million, an increase of RM1.7 million (5.8 per cent), while profit for the period to-date showed an increase from RM22.2 million to RM23.3 million (4.9 per cent) y-o-y. IBS segment posted a slight increase in PBT of RM0.6 million (5.5 per cent) from RM10.1 million to RM10.7 million. On the other hand, DBS segment also reported an increase of PBT by RM2.1 million (12.6 per cent), increased from RM16.9 million to RM19.1 million. As for IBS business, despite AFF business posted higher revenue, competitive airfreight rates coupled with increase in operating costs resulted in PBT of AFF to slide from RM6.7 million to RM3.0 million (54.8 per cent). On the other hand, strong volume support from a solar panel customer boosted PBT of OFF business from RM3.4 million to RM7.6 million (124.0 per cent). As for DBS segment, CL business reported a PBT increase of RM2.3 million (12.5 per cent), from RM18.3 million to RM20.6 million. However, Trucking division increased its loss before tax by RM0.1 million (10.3 per cent). The higher loss was due to increased operating costs of cross border shipments as a result of the weakened ringgit. Higher PBT from CL business was mainly contributed by custom clearance and haulage businesses, which posted increases in PBT by RM1.4 million (44.8 per cent) and RM1.4 million (24.6 per cent) respectively. However, it was partly offset by the reduction in PBT of In-plant business by RM0.5 million (12.1 per cent) mainly due to loss of an account in East Coast region.

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

The Group's revenue for the third financial quarter ended 31 December 2016 ("Q3FY2017") was posted at RM159.2 million, as against revenue of RM143.7 million for the third financial quarter ended 31 December 2015 ("Q3FY2016"). This represents an increase of 10.8 per cent (RM15.5 million). The increase in revenue was significantly contributed from IBS segments. Revenue of IBS rose by RM16.6 million (28.8 per cent), from RM57.7 million to RM74.4 million. Whereas revenue from DBS segment slided from RM86.0 million to RM84.8 million, a reduction of RM1.1 million (1.3 per cent). Within IBS segment, export shipment volume contribution from electronics, capacitor and aerospace customers resulted AFF business recorded stunning revenue by an increase of RM9.5 million (23.7 per cent), from RM40.0 million to RM49.5 million. Surge of export shipments of a solar panel customer to USA, China as well as Turkey market drove OFF business also reported revenue hike from from RM17.6 million to RM24.8 million, increased by RM7.2 million (40.6 per cent) in comparison to Q3FY2016. As for DBS segment, revenue posted from CL business dropped by RM1.1 million (1.7 per cent), from RM63.6 million to RM62.5 million. Within DBS segment, increase export shipments of existing major electronics customers as well as solar panel customers drove custom clearance and haulage businesses posted higher revenue by increases of RM1.2 million (5.3 per cent) and RM1.1 million (10.7 per cent) respectively. Revenue from in-plant business posted slight increase of RM0.06 million (1.4 per cent). However, the revenue of CL business was offset by lower revenue from warehouse business by RM3.5 million (13.3 per cent). Revenue reduction in warehouse business was attributed to loss of customers and handling volume reduction from sourthern region & International Procurement Centre operation in central region. Revenue from Trucking business was slightly down by RM0.04 million (0.2 per cent).

B2. Comparison with Previous Year Corresponding Quarter's Results : October 2016 to December 2016 vs October 2015 to December 2015 (continue)

PBT of the Group for Q3FY2017 rose by RM0.5 million (4.5 per cent), from RM11.7 million to RM12.3 million. PBT of IBS posted an increase by RM0.4 million (9.4 percent). Within IBS segment, despite AFF posted higher revenue, lower margin due to competitive rates of securing business contracts to major customers as well as change in business commission impacted AFF recorded a drop in PBT by RM1.4 million (44.7 pe cent) from RM3.2 million to RM1.8 million quarter-on-quarter. 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 RM1.4 million to RM3.3 million, increased by RM1.9 million (130.7 per cent). On the DBS segment side, PBT recorded a decrease of RM0.3 million (3.7 per cent) from RM7.0 million to RM6.7 million. Within DBS segment, PBT of CL business was down from RM8.2 million to RM7.4 million, a drop of RM0.8 million (10.5 per cent). While having fixed operating costs, reduced warehouse volume and loss of major accounts resulted warehouse and in-plant businesses posted lower PBT by RM1.3 million (48.5 per cent) and RM0.3 million (23.3 per cent) respectively. However, the PBT reductions were partially offset by better PBT registered by custom clearance and haulage businesses resulting from increased shipments & revenue contribution from existing electronics as well as solar panel customer. PBT of custom clearance and haulage businesses rose by RM0.5 million (54.5 per cent) and RM0.2 million (7.1 per cent) respectively. Cost efficiency activities in Singapore and consolidation business uplifted bottom line of Trucking business from loss before tax of RM1.2 million to RM0.7 million, improved by RM0.6 million (47.7 per cent) comparing to Q3FY2016.

B3. Comparison with Preceding Quarter's Results: October 2016 to December 2016 vs July 2016 to September 2016

The Group's revenue of the third quarter ended 31 December 2016 ("3QFY2017") was registered at RM159.2 million, as against revenue of RM148.1 million of the preceding quarter ended 30 September 2016. This represents an increase of RM11.1 million (7.5 per cent). IBS segment posted an increase of RM11.0 million (17.4 per cent), whareas DBS segment recorded slightly increased by RM0.1 million (0.1 per cent) as against preceding quarter.

Within the IBS segment, continued export shipments contribution through business tender of a major electronic and aero space customers drove revenue of AFF business rose significantly from RM38.3 million to RM49.5 million, an increase of RM11.2 million (29.3 per cent). Reduction in exportation of solar panel & rubber gloves customers impacted revenue of OFF business dropped from RM25.0 million to RM24.8 million, a decrease of RM0.2 million (0.8 per cent). As for DBS segment, CL division posted an increase of RM0.3 million (0.5 per cent). Increased volume support from major electronics, solar panel, paper products and tele-communication customers drove custom clearance and haulage business recorded higher revenue by RM0.9 million (3.8 per cent) and RM1.3 million (12.9 per cent) respectively. Loss of accounts in southern and east coast region coupled with reduced handling volume of shoes cargo resulted revenue of warehouse and in-plant businesses reduced by RM1.6 million (6.6 per cent) and RM0.3 million (5.2 per cent) respectively. Slowdown in domestic distribution for FMCG, beverage and tele-communication cargo drove Trucking division to post lower revenue by RM0.3 million (1.3 per cent).

PBT for 3QFY2017 increase from RM10.9 million to RM12.3 million as against preceding quarter, an increase of RM1.4 million (13.1 per cent). IBS segment contributed an increase in PBT from RM3.7 million to RM5.0 million, rose by RM1.4 million (37.2 per cent). This was particularly reflected on PBT of AFF business. Significant increase in revenue and volume boosted AFF business recorded PBT peak at RM1.8 million, an increase of RM1.1 million (164.0 per cent). PBT of OFF business rose by RM0.3 million (9.1 per cent). As for DBS segment, PBT was up by RM0.1 million (1.8 per cent), from RM6.6 million to RM6.7 million. CL business reported higher PBT by RM0.8 million (12.1 per cent), of which PBT was mainly contributed from custom clearance and haulage businesses respectively which increased by RM0.2 million (16.5 per cent) and RM1.0 million (45.8 per cent). Loss of customers in southern region coupled with reduction in handling volume resulted in warehouse business to post lower PBT from RM1.6 million to RM1.3 million, a drop of RM0.3 million (16.8 per cent). In-plant business also reported PBT reduction of RM0.1 million (11.9 per cent) due to business termination of a customer in east coast region. Lower sales coupled with increased fleet and operating costs especially in chartered business caused Trucking division posted lower PBT from PBT of RM0.01 million to Loss before tax of RM0.7 million, a drop of RM0.7 million (5331.4 per cent).

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 January 2017, estimated that global growth rate for 2016 was 3.1 percent, in line with its October 2016 estimate. IMF further estimated that economic growth would accelerate in 2017, with global growth projected at 3.4 percent. However, there are uncertainties surrounding this forecast in light of potential changes in the policy stance of the United State under the new administration. IMF also stated that notable negative risks to near-term growth include a shift towards protectionism, a sharper than expected tightening in global financial conditions, increased geopolitical tensions and a more severe slowdown in China. (Source: WEO dated January 2017)

In Malaysia, BNM announced on 16 February 2017 that the local economy recorded a growth of 4.5 percent in the fourth quarter of 2016 (3Q2016: 4.3 percent), underpinned by continued expansion in private sector expenditure. On the supply side, growth continued to be driven by the manufacturing and services sector. However the improvement in private consumption and investment activity were offset by the decline in public expenditure. BNM further reported that the GDP for 2016, as a whole, grew at a slower pace of 4.2 percent as compared with the 5 percent expansion in 2015. Going forward, BNM expects that the external environment will continue to remain challenging, with downward risks coming from volatility in commodity prices, policy uncertainties and growth prospects of major advanced economies, risk aversion in global financial markets and geopolitical developments. Nevertheless, BNM expects that the Malaysian economy will experience sustained growth, with the primary driver being domestic demand. Meanwhile, the Malaysian Institue of Economic Research has projected a growth rate of 4.5 percent in 2017 for the Malaysian GDP, on the back of similarly-stated downward risks.

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

The prospects of the Group is closely tied to the performance of the global as well as the Malaysian economy, as our core businesses are directly affected by the the health of the manufacturing sector and international trade. While there are uncertainties in the near term in as far as the global economy is concerned, the domestic economy has been showing resilient in its performance. This augurs well for the Group, which has so far reported a better performance for this financial year ("FY") as compared to the same period in the last FY. Barring any surprises, the Group expects that this trend will persist for the remaining period to the end of the current FY. Downside risks for the Group include sharper than expected slowdown in the global and domestic economy which has a direct impact on cargo volume of our major customers, rising operational costs, in particular freight rates and labour costs, and competition for cargo in our traditional core businesses. On the investment side, the Group has recently announced the acquisition of two companies operating in the cold chain logistics business, namely Gold Cold Transport Sdn. Bhd. and MILS Cold Chain Sdn. Bhd. These acquistions represent the Group's foray into the higher-margin cold chain logistics business, and will represent new growth drivers for the Group going forward. We expect these acquisitions to be completed in the first quarter of the next FY, and to start contributing to the Group's results in FY2018.

B5. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B6. Tax Expense

	3 months ended		Cumulative 9 months ended	
	31.12.2016 RM'000	**31.12.2015 RM'000**	**31.12.2016 RM'000**	**31.12.2015 RM'000**
Income tax				
- Current tax	(3,199)	(3,803)	(8,827)	(9,692)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(61)	986	769	2,259
- underprovision in prior years	-	-	-	-
	(3,260)	(2,817)	(8,058)	(7,433)

The Group's effective tax rate for the cumulative 9 months ended 31 December 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 31.12.2016 RM'000	As at 31.03.2016 RM'000
Short term borrowing			
Bank loan	(unsecured)	15,156	16,243
Long term borrowing			
Bank loan	(unsecured)	23,736	29,784
		38,892	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 dividend of 2.00 sen per ordinary share (2015: 2.00 sen per ordinary share) amounting to RM4,000,000 was approved and declared by the Board of Director on 23 February 2017 and to be paid on 24 March 2017. Entitlement to dividend will be determined on the basis of the record of depositors as at 10 March 2017.

B11. Earnings Per Share

	3 months ended		Cumulative 9 months ended	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
PAT after non-controlling interest (RM'000)	9,011	8,963	23,145	22,146
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	4.51	4.48	11.57	11.07
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The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2016. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 December 2016, the Group has the following outstanding derivative financial instruments:

	Contract or Notional amount as at		Fair value net gains or (loses)		
Derivatives	**31.12.2016 RM'000**	**31.12.2015 RM'000**	**31.12.2016 RM'000**	**31.12.2015 RM'000**	**Purpose**
1. Cross currency swap Contracts:					
- More than 3 years	38,892	56,233	9,116	11,637	For hedging currency risk in bank term loan
2. Forward currency contracts:					
- Less than 1 year	-	143	-	-	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 31.12.2016 RM'000	As at 31.03.2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	256,802	239,278
- Unrealised	(7,733)	(7,873)
	249,069	231,405
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	1,264	954
- Unrealised	-	-
	250,333	232,359
Less: Consolidation adjustments	(13,780)	(13,951)
Total group retained profits as per consolidated accounts	**236,553**	**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 9 months ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Profit for the period is arrived at after crediting:				
Interest income	405	253	1,133	745
Other income	139	118	435	696
Foreign exchange gain	738	828	304	1,455
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	360	64	1,283	1,727
Depreciation	4,264	4,541	12,854	14,141
Provision for/write off receivables	-	-	-	-
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	-	-	-	-
Other loss	-	-	-	-
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 31 December 2016 (31 December 2015: Nil).