TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2017

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-2017

	3 months ended		Cumulative 9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	191,660	159,194	540,708	437,010
Cost of sales	(145,103)	(119,915)	(410,164)	(327,874)
Gross profit	**46,557**	**39,279**	**130,544**	**109,136**
Other operating income	838	848	2,277	1,872
General and administrative expenses	(33,202)	(27,557)	(93,777)	(78,677)
Profit from operations	**14,193**	**12,570**	**39,044**	**32,331**
Share of profits of associated companies	(60)	104	(117)	310
Finance costs	(3,173)	(360)	(6,560)	(1,283)
Profit before taxation	**10,960**	**12,314**	**32,367**	**31,358**
Tax expense	(2,711)	(3,260)	(7,810)	(8,058)
Profit for the period	**8,249**	**9,054**	**24,557**	**23,300**
Profit Attributable to:				
Owners of the Company	8,173	9,011	24,359	23,145
Non-Controlling Interest	76	43	198	155
	8,249	**9,054**	**24,557**	**23,300**
Earnings per share (sen) - basic	4.09	4.51	12.18	11.57

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	3 months ended		Cumulative 9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	**8,249**	**9,054**	**24,557**	**23,300**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	215	278	346	(71)
Fair Value adjustment on cash flow hedge	151	159	717	96
Other comprehensive income/(Loss) for the period, net of tax	366	437	1,063	25
Total Comprehensive Income	**8,615**	**9,491**	**25,620**	**23,325**
Total Comprehensive Income attributable to:				
Owners of the Company	8,539	9,448	25,422	23,170
Non-Controlling Interest	76	43	198	155
	8,615	**9,491**	**25,620**	**23,325**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2017 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-2017

	As at 31.12.2017 RM'000 Unaudited	As at 31.03.2017 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	387,318	236,014
Goodwill	81,864	-
Investment in associated company	4,005	3,722
Other investments	1,008	1,008
Total non-current assets	**474,195**	**240,744**
Current assets		
Inventories	-	125
Trade receivables	117,179	87,854
Other receivables, deposits and prepayments	29,002	82,605
Amount owing by immediate holding company	4,896	5,706
Amounts owing by related companies	9,064	9,505
Current tax asset	5,955	5,952
Fixed deposits with a licensed bank	54,225	34,517
Cash and bank balances	39,711	47,182
Total current assets	**260,032**	**273,446**
TOTAL ASSETS	**734,227**	**514,190**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	As at 31.12.2017 RM'000 Unaudited	As at 31.03.2017 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	(130)	(847)
Exchange translation reserve	(420)	(766)
Retained profits	259,435	240,077
Equity attributable to owners of the Company	361,086	340,665
Non-controlling interest	1,257	1,059
Total equity	**362,343**	**341,724**
Non-current liabilities		
Hire purchase and finance lease liabilities	1,370	-
Long term bank loan	236,503	33,208
Deferred tax liabilities	20,593	10,401
Total non-current liabilities	**258,466**	**43,609**
Current liabilities		
Trade payables	44,263	34,911
Other payables, deposits and accruals	27,633	70,909
Amount owing to immediate holding company	1,250	1,129
Amounts owing to related companies	5,063	4,659
Amounts owing to associated company	-	165
Hire purchase and finance lease liabilities	2,116	-
Bank term loan	22,245	15,199
Revolving credit	10,000	-
Current tax liabilities	848	1,885
Total current liabilities	**113,418**	**128,857**
Total liabilities	**371,884**	**172,466**
TOTAL EQUITY AND LIABILITIES	**734,227**	**514,190**
Net Assets per share (RM)	**1.81**	**1.70**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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-2017

	------ A tt ri b u ta b le 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 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	-	-	-	-	-	(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**
Balance at 1 April 2017	100,000	801	1,400	(847)	(766)	240,077	340,665	1,059	341,724
Total comprehensive income for the period	-	-	-	717	346	24,359	25,422	198	25,620
Dividend paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 31 Dec 2017	**100,000**	**801**	**1,400**	**(130)**	**(420)**	**259,435**	**361,086**	**1,257**	**362,343**

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 31-December-2017

	Year-To-Date Ended	
	31.12.2017 RM'000 Unaudited	**31.12.2016 RM'000 Unaudited**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,367	31,358
Adjustments for:		
Depreciation	16,455	12,854
Gain on disposal of property, plant and equipment	(245)	(41)
Property, plant and equipment written off	-	3
Share of profits of associated company, net of tax	117	(310)
Interest income	(977)	(1,133)
Interest expense	6,560	1,283
Operating profit before working capital changes	**54,277**	**44,014**
Net Changes in current assets	43,070	(16,145)
Net Changes in current liabilities	(43,918)	(2,803)
Cash generated from operations	53,429	25,066
Tax paid	(10,652)	(12,610)
Net Cash generated from operating activities	**42,777**	**12,456**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,677)	(7,675)
Proceeds from disposal of property, plant and equipment	283	161
Acquisition of subsidiary company	(176,153)	-
Investment in associated company	(400)	-
Purchase of other investment	-	(70)
Interest received	977	1,133
Net cash used in investing activities	**(195,970)**	**(6,451)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	190,000	-
Repayment of term loan	(11,861)	(10,339)
Payment of hire purchase and finance lease liabilities	(1,127)	-
Interest paid	(6,560)	(1,283)
Dividend paid	(5,000)	(5,000)
Net cash generated from / (used in) financing activities	**165,452**	**(16,622)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**12,259**	**(10,617)**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	81,700	92,586
EFFECT OF EXCHANGE RATE CHANGES	(23)	(5)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**93,936**	**81,964**
Represented by:		
Fixed deposits with a licensed bank	54,225	42,734
Cash and bank balances	39,711	39,230
	93,936	**81,964**

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2017. 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 2017.

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 or revised standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2017.

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 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
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 Instrucments with MFRS 4, Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interest In Associates and Joint Ventures	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
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 the Company has reviewed the effects of adopting MFRS 9 on its financial assets and liabilities instruments. Based on the facts and circumstances, management of the Company is expecting the following impact from the adoption of MFRS 9 on 1 April 2018.

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

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 the Company has reviewed the effects of adopting MFRS 15 on its financial assets and liabilities instruments. Based on the facts and circumstances, management of the Company is expecting the following impact from the adoption of MFRS 15 on 1 April 2018.

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 the 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 2017 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

During the financial period, the Company paid a dividend of 2.50 sen per ordinary share amounting to RM5,000,000 was paid paid on 7 July 2017 in respect of financial year ended 31 March 2017. 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		Segmental Result (PBT)	
	9 months ended		9 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
International Business Solutions				
Air Freight Forwarding Division	130,818	121,472	3,418	3,024
Ocean Freight Forwarding Division	86,047	69,486	7,488	7,637
	216,865	**190,958**	**10,906**	**10,661**
Domestic Business Solutions				
Contract Logistics Division	215,786	181,417	25,142	20,591
Cold Supply Chain Division	39,497	-	4,027	-
Trucking Division	68,560	64,635	(2,203)	(1,538)
	323,843	**246,052**	**26,966**	**19,053**
Others	-	-	(5,505)	1,644
Total	**540,708**	**437,010**	**32,367**	**31,358**

A10. Valuation of Property, Plant and Equipment

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

A11. Subsequent Events

Except for below event, there was no material event subsequent to the end of the current quarter:

A) With reference to agreements entered on 23 Jan 2017 upon acquisition by TASCO from Swift Integrated Logistics Sdn Bhd ("SILS") for 6 parcels of leasehold land located in Pulau Indah for a cash consideration of RM113,827,400 ("Pulau Indah SPA") ; and 100% equity interest in MILS Cold Chain Logistics Sdn Bhd ("MCCL") Sdn Bhd for a cash consideration of RM9,925,100 as well as the assumption of loan received by MCCL from SILS with an outstanding balance of RM20,000,000, for a total cash consideration of RM29,925,100 ("MCCL SSA"):

Both parties of the above transactions had on 5 January 2018, entered into a supplemental agreement to the Pulau Indah SPA to vary certain terms and conditions of the Pulau Indah SPA (“Supplemental Pulau Indah SPA”). Pursuant to the terms of the Supplemental Pulau Indah SPA, SILS and TASCO had mutually agreed to the following:-

(a) an extension of time up to 30 April 2018 or any other period as may be mutually agreed between the parties to the Supplemental Pulau Indah SPA to fulfill all conditions precedent to the Pulau Indah SPA; and

(b) to vary the mode of settlement of the Pulau Indah Purchase Consideration in the following manner:-

(i) TASCO to pay a refundable sum of RM10.0 million and GST sum of RM600,000 to SILS upon the execution of this Supplemental Pulau Indah SPA; and

(ii) the balance Pulau Indah Purchase Consideration to be paid by TASCO to SILS shall be RM92,444,660 and GST sum of RM5,546,680.

In addition, both parties to the MCCL SPA had, vide the letters dated 5 January 2018, mutually agreed to a further extension of time up to 30 April 2018 for the fulfilment of the conditions precedent to the MCCL SSA.

B) Disposal of Property

On 12 January 2018, Titian Pelangi Sdn Bhd, a wholly-owned subsidiary of TASCO, entered into a Sale and Purchase Agreement with Onostatic Sdn. Bhd. for the disposal of a property which consist of 339,676 square feet detached leasehold industrial land erected upon with a warehouse and building bearing postal address at Lot 12, Lengkungan Sultan Hishamuddin, North Klang Straits Industrial Area, Kawasan 20, Mukim Kapar, 42000 Port Klang, Selangor, for a cash consideration of RM17,500,000. The disposal transaction is yet to be completed to-date as it is pending for state authorities' approval and legal documentations.

A12. Changes in Composition of the Group

On 20 December 2017, TASCO entered into shareholders' agreement with Yee Lee Trading Co. Sdn Bhd, a wholly-owned subsidiary of Yee Lee Corporation Bhd (“Yee Lee”), to mutually cooperate in the conduct of the business and affairs of YLTC Sdn Bhd (“YLTC” or “JVCO”), a company incorporated with 1,000,000 as a joint venture vehicle for the purpose of carrying a trading, distribution and logistics business. TASCO procured 40% shareholding interest of total 1,000,000 ordinary shares of YLTC for a cash consideration of RM400,000. TASCO treated YLTC as an associate company and its financial results shall be consolidated into TASCO group by equity method effective from 20 December 2017. However, YLTC's financial result for the month of December was not consolidated into the 3rd quarter financial results of the Group as it is immaterial.

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

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 31.12.2017 RM'000	As at 31.12.2016 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	103,518	117,660
- acquisition in unquoted shares	43,832	217,925
	147,350	335,585

A15. Related Party Disclosures

	9 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	341	151
Labour charges paid and payble to subsidiary companies	26,585	19,294
Maintenance charges paid and payable to a subsidiary company	3,569	4,943
Handling fees paid and payable to a subsidiary company	1,082	1,371
Handling fees received and receivable from a subsidiary company	138	225
Related logistic services received and receivable from a subsidiary company	3,746	2,891
Rental of premises paid and payable to a subsidiary company	3,400	3,401
Rental of trucks received and receivable from subsidiary company	1,980	3,027
Transaction with immediate holding company		
Related logistic services received and receivable	38,757	34,968
Related logistic services paid and payable	11,843	11,089
Transaction with related companies		
Related logistic services received and receivable	45,831	32,045
Related logistic services paid and payable	48,702	42,654
Management fee paid and payable	3,334	2,254
IT fees paid and payable	594	443
Rental received	225	225
Repair and maintenance services	251	313
Transaction with associated company		
Rental of premises paid	94	846
Accounting fee paid to an associated company	-	14

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

B1. Performance Review : Year-to-date April 2017-December 2017 vs Year-to-date April 2016-December 2016

	9 months ended			
	31.12.2017	31.12.2016	Changes	
	RM'000	RM'000	RM'000	%
Revenue	540,708	437,010	103,698	23.73%
Profit from operations	39,044	32,331	6,713	20.76%
Profit before Interest and tax	38,927	32,641	6,286	19.26%
Profit before taxation	32,367	31,358	1,009	3.22%
Profit after taxation	24,557	23,300	1,257	5.39%
Profit Attributable to Ordinary Equity Holders of the Parent	24,359	23,145	1,214	5.25%

The Group achieved revenue of RM540.7 million for the financial period ended ("FPE") 31 December 2017 as against RM437.0 million a year earlier, an increase of RM103.7 million (23.7 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions ("IBS") was up by RM25.9 million (13.6 per cent) from RM191.0 million to RM216.9 million y-o-y. Domestics Business Solutions ("DBS") segment also recorded an increase in revenue of RM77.8 million (31.6 per cent) from RM246.0 million to RM323.8 million y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted an increase of RM9.3 million (7.7 per cent). Contribution of export shipments from printed circuit boards, aerospace, electronic & electrical ("E&E"), capacitors as well as semiconductors customers boosted higher revenue of AFF business. As for Ocean Freight Forwarding ("OFF") division, strong export shipments contribution by solar panel, particularly in 1st and 2nd quarter of the financial year ("FY"), aerospace customer and newly-secured accounts involving in industrial and consumer goods coupled with increased import shipments handled for office equipment and lighting customers as well as musical instrument manufacturer significantly uplifted OFF revenue performance. New customers of furniture manufactures of Buyer Consolidation business also contributed to higher revenue for OFF division, which posted an increase of RM16.6 million (23.8 per cent) y-o-y.

The newly acquired subsidiary Gold Cold Transport Sdn Bhd ("GCT") contributed a post-acquisition revenue of RM39.5 million to the new business segment, Cold Supply Chain Logistics ("CSC") of DBS segment of the Group effective from 12 July 2017. On the other hand, existing Contract Logistics ("CL") division and Trucking division of DBS also posted an increase of RM34.4 million (18.9 per cent) and RM3.9 million (6.1 per cent) respectively. Within CL business, warehouse division was a large contributor to CL business, with an increase in revenue of RM26.3 million (37.8 per cent). A new global repair parts business of an E&E customer and newly-secured businesses in electrical appliance and tobacco as well as new Regional Distribution Centre ("RDC") business of a semiconductor customer boosted revenue hike to warehouse business. Increase export shipments from existing E&E and musical instruments customers coupled with increase import shipments of paper related product, automotive and newly-secured tobacco customer in July as well as project cargo resulted in custom clearance division to record an increase in revenue of RM4.2 million (6.4 per cent). Container deliveries especially for export shipment of existing E&E customers remained strong and with the additional export container volume contributed from a newly-secured E&E customer in central region contributed to increase of RM0.9 million (3.1 per cent) to haulage division. Revenue of in-plant business rose by RM2.8 million (19.7 per cent) as a result of increased production lines of existing E&E customer and newly-secured E&E customer in central region. Increase revenue in trucking division was mainly contributed from new business secured in FMCG and electronic appliance customers and on the back of increase distribution activities in automotive parts.

Profit before taxation ("PBT") for the year-to-date ended 31 December 2017 increased to RM32.4 million from RM31.4 million, an increase of RM1.0 million (3.2 per cent), and profit after tax ("PAT") for the period to-date went up from RM23.3 million to RM24.6 million (5.4 per cent) y-o-y.

With an increase in revenue in IBS business, it resulted IBS business posted an increase in PBT of RM0.2 million (2.3 per cent) from RM10.7 million to RM10.9 million y-o-y. Competitive freight costs impacted IBS business reported low PBT. PBT generated from AFF business increased from RM3.0 million to RM3.4 million, an increase of RM0.4 million (13.0 per cent). However, OFF business posted a drop in PBT of RM0.1 million (2.0 per cent) from RM7.6 million to RM7.5 million. On the other hand, DBS segment posted an increase in PBT of RM7.9 million (41.5 per cent) from RM19.0 million to RM27.0 million y-o-y. Newly CSC business segment contributed RM4.0 million to DBS segment while CL business reported an increase in PBT of RM4.5 million (22.1 per cent). However, the increase in PBT generated from CL & CSC businesses was partially offset by the increased loss before tax (LBT) of Trucking business by RM0.7 million (-43.1 per cent). Within CL business, warehouse & in-plant businesses contributed to an increase in PBT totalling RM6.3 million (69.6 per cent) while haulage business experienced a drop of RM1.3 million (-17.8 per cent). Escalating operating costs and fuel price increase coupled with imbalance trips impacted unfavourably on the bottom line of Trucking business.

Apart from the operating business segment, PBT was reduced by RM7.1 million due to additional costs from support segment. This was largely resulted from increased professional and compliance expenses for corporate merger & acquisition exercises as well as finance costs of funding for newly-acquired CSC business.

B2. Comparison with Previous Year Corresponding Quarter's Results : October 2017 to December 2017 vs October 2016 to December 2016

	3 months ended			
	31.12.2017	31.12.2016	Changes	
	RM'000	RM'000	RM'000	%
Revenue	191,660	159,194	32,466	20.4%
Profit from operations	14,193	12,570	1,623	12.9%
Profit before Interest and tax	14,133	12,674	1,459	11.5%
Profit before taxation	10,960	12,314	(1,354)	-11.0%
Profit after taxation	8,249	9,054	(805)	-8.9%
Profit Attributable to Ordinary Equity Holders of the Parent	8,173	9,011	(838)	-9.3%

The Group's revenue for the third financial quarter ended 31 December 2017 ("Q3FY2018") was posted at RM191.7 million, as against revenue of RM159.2 million for the third financial quarter ended 31 December 2016 ("Q3FY2017"). This represents an increase of 20.4 per cent (RM32.5 million). The increase in revenue was mainly contributed from DBS segment.

Revenue of IBS decreased by RM3.4 million (4.6 per cent), from RM74.3 million to RM71.0 million whereas DBS segment recorded an increase in revenue from RM84.8 million to RM120.7 million, an increase of RM35.8 million (42.3 per cent) which included a contribution of RM21.1 million from newly-acquired company GCT, under the CSC business of the DBS segment of the Group effective from 12 July 2017.

Within IBS segment, drop in export shipments of aerospace business resulted revenue of AFF business decreased by RM4.6 million (9.3 per cent) whereas OFF's revenue rose up by RM1.2 million (4.9 per cent) quarter-on-quarter. On the other hand, increase in aerospace shipments by sea mode as well as shipments volume contribution from an office equipment customer and aluminium manufacturer contributed revenue hike to OFF business. Within DBS segment, besides revenue contribution of RM21.1 million from new CSC business, revenue from CL business rose by RM13.9 million (22.3 per cent) while revenue from Trucking business was slightly up by RM0.7 million (3.4 per cent). Within CL business, new secured E&E customers in central region and RDC of a semiconductor customer boosted revenue of warehouse business from RM22.5 million to RM33.3 million, an increase of 48.1 per cent. The new secured E&E customer coupled with increase production volume of an existing customer in central region uplifted revenue by RM1.9 million (39.8 per cent) in-plant business. Revenue from custom clearance activity also rose by RM1.8 million (7.7 per cent). Loss of container delivery business of a FMCG customer resulted Haulage business reported a downturn in revenue by RM0.6 million (-5.1 per cent) quarter-on-quarter. Newly secured E&E and tobacco business attributed to an increase in revenue of Trucking business.

PBT of the Group for Q3FY2018 decreased by 11.0 per cent from RM12.3 million to RM11.0 million quarter-on-quarter. IBS segment experienced PBT plunge by RM2.6 million (51.2 per cent) while DBS segment contributed an increase in PBT by RM4.4 million (65.9 per cent). Under IBS segment, competitive freight rates and surcharges impacted lower PBT for AFF and OFF business by RM0.8 million (43.2 per cent) and RM1.8 million (55.5 per cent) respectively. As for DBS segment side, new CSC business contributed PBT of RM2.7 million to the Group while PBT from CL & Trucking businesses rose by RM1.7 million (22.8 per cent) and RM0.06 million (9.5 per cent) respectively. The biggest increases of CL's PBT were largely derived from warehouse and in-plant business. With an additional handling volume from new warehouse businesses, PBT of warehouse and in-plant were uplifted by RM2.0 million (148.2 per cent) and RM0.7 million (61.6 per cent) respectively. Custom clearance and haulage reported decreases in PBT by RM0.1 million (9.3 per cent) and RM0.9 million (29.1 per cent) respectively. Improved bottom line from Trucking business was mainly contributed from new secured delivery businesses.

However, the net increase in PBT of RM1.8 million from the above operating business segments was further offset by the significant decreased PBT from support segment by RM3.2 million (566.5 per cent) which mainly resulted from increase in professional and compliance expenses for corporate merger & acquisition exercises as well as additional finance costs of funding for new acquired CSC business.

B3. Comparison with Preceding Quarter's Results: October 2017 to December 2017 vs July 2017 to September 2017

	3 months ended			
	31.12.2017	30.09.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	191,660	192,089	(429)	-0.2%
Profit from operations	14,193	14,696	(503)	-3.4%
Profit before Interest and tax	14,133	14,632	(499)	-3.4%
Profit before taxation	10,960	11,905	(945)	-7.9%
Profit after taxation	8,249	9,197	(948)	-10.3%
Profit Attributable to Ordinary Equity Holders of the Parent	8,173	9,142	(969)	-10.6%

B3. Comparison with Preceding Quarter's Results: October 2017 to December 2017 vs July 2017 to September 2017 (continue)

The Group's revenue of the third quarter ended 31 December 2017 ("Q3FY2018") was registered at RM191.6 million, as against revenue of RM192.1 million of the preceding quarter ended 30 September 2017. This represents a decrease of RM0.4 million (0.2 per cent). Seasonal decrease in shipments, particularly in OFF business, resulted IBS segment posted a decrease of RM3.9 million (5.3 per cent) while DBS segment recorded higher revenue result by RM3.5 million (3.0 per cent) as against preceding quarter.

Within the IBS segment, handling of urgent sport shipments of automotive customers resulted AFF division posted increase revenue from RM42.9 million to RM44.9 million (4.8 per cent). On the other hand, significant drop in export volume handled for a solar panel manufacturer impacted revenue of OFF business reduced by RM6.0 million (18.7 per cent) as against preceding quarter.

Within DBS segment, new CSC business contributed an increase revenue of RM2.8 million (15.3 per cent) to DBS segment of the Group. Contract Logistics ("CL") division, posted an increase of RM0.4 million (0.5 per cent) while Trucking business also posted an increase of RM0.3 million (1.3 per cent) against last quarter. Within CL division, except for warehouse business posted revenue drop of RM2.3 million (6.4 per cent) due to slow down in handling volume, especially in E&E goods, in third quarter, in-plant, customer clearance and haulage businesses recorded increases in revenue by RM1.3 million (23.5 per cent), RM1.0 million (4.0 per cent) and RM0.4 million (3.9 per cent) respectively. Increase in revenue from custom clearance and haulage businesses was mainly contributed from increased import shipments from tobacco customer and export shipments of a glass manufacturer. Increase in sales from Trucking business was mainly contributed from distribution delivery of a tobacco and automotive customers.

PBT for Q3FY2018 decrease from RM11.9 million to RM11.0 million as against preceding quarter, a decrease of RM0.9 million (7.9 per cent). IBS segment record a decrease of RM2.1 million (46.8 per cent) from RM4.6 million to RM2.5 million. DBS segment recorded an increase of RM1.5 million (15.6 per cent) from RM9.6 million to RM11.1 million. However, increase of PBT from operating segments of IBS and DBS were offset by increase of expenses of RM0.8 million from support segment, largely resulted from incurrence of additional finance costs of funding for new CSC business.

Within IBS segment, AFF experienced a slight drop in PBT of RM0.03 million (2.9 per cent) as a result of thin profit margin due to higher market buying costs against bid price of customer contracts. Drop in shipment volume and revenue in OFF business drove PBT to reduce by 59.4 per cent (RM2.1 million) as against preceding quarter.

As for DBS segment, CSC business contributed an increase in PBT by RM1.3 million (98.7 per cent), from RM1.3 million to RM2.6 million. Trucking business posted an improvement in PBT by RM0.3 million (33.9 per cent) while CL posted a slight reduction of RM0.1 million (1.5 per cent). Increase manufacturing volume drove an increase in PBT by RM0.3 million to in-plant business. Drop in warehousing volume caused warehouse business posted lower PBT of RM0.2 million (6.0 per cent). Increase fleet maintenance costs in third quarter impacted PBT of haulage business reduced by RM0.2 million (8.4 per cent).

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

According to the latest World Economic Outlook report ("WEO") released by the International Monetary Fund ("IMF") in January 2018, global economic activity continues to firm up, with growth projected to rise by 3.7 percent in 2017 (an increase of 0.1 percent over its projection in October 2017). IMF said the pickup in growth has been broad based, with Europe and Asia turning in unexpected notable upsides. Growth forecast for 2018 has been revised upwards by 0.2 percent to 3.9 percent, reflecting increased global momentum and the expected impact of the recent U.S. corporate income tax cuts. Nevertheless, IMF states that risks to global growth is still skewed to the downside over the medium term, but remain broadly balanced over the near term. On the upside, cyclical rebound could prove stronger in the near term as pickup in activity and easier financial conditions reinforce each other. On the down side, IMF cites "rich asset valuation and very compressed term premiums" as factors that could cause a financial market correction, dampening confidence and growth.
(Source: WEO dated January 2018)

Locally, with the economy firmly on a steady growth rate, Bank Negara Malaysia ("BNM") raised its overnight policy rate by 25 basis points to 3.25 percent for the first time since July 2014. BNM said its Monetary Policy Committee has decided to normalise the degree of monetary accomodation, recognising the need to pre-emptively ensure that its stance of monetary policy is appropriate to prevent the build-up of risks that could arise from interest rates being too low for a prolonged period of time. BNM said the latest economic indicators reaffirm the strength in exports and domestic activity for the Malaysian economy. Looking ahead, BNM expects Malaysia's strong growth momentum to continue in 2018, sustained by the stronger global growth and positive spillovers from the external sector to the domestic economy. The Malaysian Institute of Economic Research ("MIER") also noted that the Malaysian economy performed exceptionally well in 2017, with the first three quarters registering a better-than-expected growth of 5.6 percent in the first quarter, which acclerated to 5.8 percent and 6.2 percent in the second and third quarters respectively. For the whole of 2017, MIER expects the domestic economy to grow by 5.6 percent. For 2018, MIER forecasts the Malaysian economy to grow by 5.4 percent, an upward revision from its October 2017 forecast of between 4.7 to 5.3 percent.
(Sources: BNM and MIER Malaysian Economic Outlook dated January 2018)

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

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economies, as our core businesses in logistics are directly affected by the health of the domestic economic activities and international trade. As reported by the esteemed organizations mentioned above, the global economy is improving and the domestic economy is firmly on a steady growth rate. These are positive developments for the performance of the Group. Operationally, the Group's results have shown significant y-o-y improvement thus far in the current FY. Going into the final quarter of the current FY, we are cautiously optimistic that the Group would continue its credible performance. However, as our recent acquisition of Gold Cold Transport was fully financed via bank borrowings, our bottom line was significantly impacted by higher finance costs. In that respect, the Group would be evaluating the various ways and available options, in order to mitigate this situation in the medium term. Going forward, the downside risks for the Group would continue to be rising operational costs (in particular, relating to manpower and fuel costs), higher interest costs due to aforesaid reason, and keen competition for cargo in our traditional core businesses. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity when it is beneficial to our shareholders' value.

B5. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B6. Tax Expense

	3 months ended		Cumulative 9 months ended	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax				
- Current tax	(3,064)	(3,199)	(9,227)	(8,827)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	353	(61)	1,417	769
- underprovision in prior years	-	-	-	-
	(2,711)	(3,260)	(7,810)	(8,058)

The Group's effective tax rate for the cumulative 9 months ended 31 December 2017 was about the statutory rate of 24%.

B7. Corporate Proposals

a) The Company proposal for the acquisition of Pulah Indah land and building and 100% equity interest, representing 3,000,000 ordinary shares and 2,800,000 redeemable convertible preference shares in MILS Cold Chain Logistics Sdn. Bhd., is yet to be completed as it is pending approval from the relevant local authorities.

b) The Company proposal of acquisition of 100% equity interest, representing 2,5000,000 ordinary shares in Meriah Selalu Sdn. Bhd. for a cash consideration of RM15,217,375 was completed on 2 February 2018 in accordance with the terms of the Share Sales Agreement dated 3 November 2017.

B8. Borrowing

	As at 3rd quarter ended 31.12.2017					
	Long term		Short term		Total borrowing	
	Denomination in		Denomination in		Denomination in	
	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
Hire purchase and finance lease liabilities	-	1,370	-	2,116	-	3,486
Bank loan (Synthetic Foreign currency and unsecured) - USD *	197,009	-	16,367	-	213,376	-
Bank loan (secured)	-	39,494	-	5,878	-	45,372
Revolving credit facilities	-	-	-	10,000	-	10,000
Total borrowings	197,009	40,864	16,367	17,994	213,376	58,858

B8. Borrowing (continue)

	As at 3rd quarter ended 31.12.2016					
	Long term		Short term		Total borrowing	
	Denomination in		Denomination in		Denomination in	
	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
Hire purchase and finance lease liabilities	-	-	-	-	-	-
Bank loan (Synthetic Foreign currency and unsecured) - USD **	23,736	-	15,156	-	38,892	-
Bank loan (secured)	-	-	-	-	-	-
Revolving credit facilities	-	-	-	-	-	-
Total borrowings	23,736	-	15,156	-	38,892	-

* USD denomination at average exchange rate of USD$1:RM4.28
** USD denomination at average exchange rate of of USD$1:RM4.15

The increase in hire purchase and finance lease liabilities and secured bank loan in RM denomination was effected into the Group from the completion of acquisition of Gold Cold Transport Sdn. Bhd. ("GCT") on 12 July 2017.

The increase in revolving credit of RM10,000,000 is for working capital purpose.

The increase in unsecured synthetic USD bank loan was a result of:

i) RM180,000,000 for acquisition of 100% equity interest in 2,000,000 ordinary shares in GCT; and

ii) RM14,000,000 for 10% deposit for proposal acquisition of Pulah Indah land and building and 100% equity interest 3,000,000 ordinary shares and 2,800,000 redeemable convertible preference shares in MILS Cold Chain Logistics Sdn. Bhd.

B9. Litigation

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

B10. Dividend Declared

On 09 February 2018, the Board of Directors declared a single-tier dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2018.

B11. Earnings Per Share

	3 months ended		Cumulative 9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
PAT after non-controlling interest (RM'000)	8,173	9,011	24,359	23,145
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	4.09	4.51	12.18	11.57

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2017. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 December 2017, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at 31.12.2017 RM'000	Contract or Notional amount as at 31.12.2016 RM'000	Fair value net gains or (loses) 31.12.2017 RM'000	Fair value net gains or (loses) 31.12.2016 RM'000	Purpose
1. Cross currency swap Contracts:					
- More than 3 years	213,376	38,892	2,496	9,116	For hedging currency risk in bank term loan
2. Forward currency contracts:					
- Less than 1 year	-	-	-	-	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 31.12.2017 RM'000	As at 31.03.2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	293,083	260,420
- Unrealised	(20,320)	(7,258)
	272,763	253,162
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	605	722
- Unrealised	-	-
	273,368	253,884
Less: Consolidation adjustments	(13,933)	(13,807)
Total group retained profits as per consolidated accounts	**259,435**	**240,077**

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	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period is arrived at after crediting:				
Interest income	359	405	977	1,133
Other income	479	139	1,300	435
Gain on disposal of land and building	-	-	-	-
Foreign exchange gain	-	738	-	304
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	3,173	360	6,560	1,283
Depreciation	5,392	4,264	16,455	12,854
Provision for/write off receivables	(50)	-	-	-
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	401	-	413	-
Unrealised foreign exchange loss	-	-	-	-
Impairment loss of other investment	-	-	-	-

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 2017 (31 December 2016: Nil).