TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements For The Quarter And Year-To-Date Ended
31-March-2018

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-March-2018

	3 months ended		Cumulative 12 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Audited	Audited
Revenue	169,501	147,392	710,209	584,402
Cost of sales	(124,538)	(112,729)	(534,702)	(440,603)
Gross profit	**44,963**	**34,663**	**175,507**	**143,799**
Other operating income	8,402	6,417	10,679	8,289
General and administrative expenses	(40,191)	(28,614)	(133,968)	(107,291)
Profit from operations	**13,174**	**12,466**	**52,218**	**44,797**
Share of results of associated company and joint venture	(104)	111	(221)	421
Finance costs	(3,434)	(407)	(9,994)	(1,690)
Profit before taxation	**9,636**	**12,170**	**42,003**	**43,528**
Tax expense	(4,536)	(4,614)	(12,346)	(12,672)
Profit for the period/year	**5,100**	**7,556**	**29,657**	**30,856**
Profit Attributable to:				
Owners of the Company	5,039	7,524	29,398	30,669
Non-Controlling Interests	61	32	259	187
	5,100	**7,556**	**29,657**	**30,856**
Earnings per share (sen) - basic	2.52	3.76	14.70	15.33

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-March-2018

	3 months ended		Cumulative 12 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Audited	RM'000 Audited
Profit for the period/year	**5,100**	**7,556**	**29,657**	**30,856**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	258	(583)	604	(654)
Fair Value adjustment on cash flow hedge	6	(330)	723	(234)
Other comprehensive income/(Loss) for the period, net of tax	264	(913)	1,327	(888)
Total Comprehensive Income	**5,364**	**6,643**	**30,984**	**29,968**
Total Comprehensive Income attributable to:				
Owners of the Company	5,303	6,611	30,725	29,781
Non-Controlling Interests	61	32	259	187
	5,364	**6,643**	**30,984**	**29,968**

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.

Condensed Consolidated Statement of Financial Position as at 31-March-2018

	As at 31.03.2018 RM'000 Audited	As at 31.03.2017 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	386,393	236,014
Goodwill	81,864	-
Investment in associated company	3,502	3,722
Investment in a joint venture	399	-
Other investments	1,008	1,008
Total non-current assets	**473,166**	**240,744**
Current assets		
Inventories	-	125
Trade receivables	108,936	87,854
Other receivables, deposits and prepayments	65,412	82,605
Amount owing by immediate holding company	4,699	5,706
Amounts owing by related companies	9,637	9,505
Current tax asset	5,955	5,952
Fixed deposits with licensed bank	45,369	34,517
Cash and bank balances	35,049	47,182
Total current assets	**275,057**	**273,446**
Non-current assets classified as held for sale	173	-
TOTAL ASSETS	**748,396**	**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

TASCO
NYK GROUP COMPANY

Condensed Consolidated Statement of Financial Position as at 31-March-2018

	As at 31.03.2018 RM'000 Audited	As at 31.03.2017 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	100,801	100,000
Share premium	-	801
Revaluation reserve	1,400	1,400
Hedge reserve	(124)	(847)
Exchange translation reserve	(162)	(766)
Retained earnings	260,476	240,077
Equity attributable to owners of the Company	362,391	340,665
Non-controlling interests	1,318	1,059
Total equity	**363,709**	**341,724**
Non-current liabilities		
Hire purchase and finance lease liabilities	2,103	-
Bank term loans	200,900	33,208
Deferred tax liabilities	23,952	10,401
Total non-current liabilities	**226,955**	**43,609**
Current liabilities		
Trade payables	38,728	34,911
Other payables, deposits and accruals	38,063	70,909
Amount owing to immediate holding company	1,416	1,129
Amounts owing to related companies	5,528	4,659
Amounts owing to associated company	-	165
Hire purchase and finance lease liabilities	812	-
Bank term loans	52,133	15,199
Revolving credits	20,000	-
Current tax liabilities	1,052	1,885
Total current liabilities	**157,732**	**128,857**
Total liabilities	**384,687**	**172,466**
TOTAL EQUITY AND LIABILITIES	**748,396**	**514,190**
Net Assets per share (RM)	**1.80**	**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-March-2018

	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 interests RM'000	Total equity RM'000
Balance at 1 April 2017	100,000	801	1,400	(613)	(112)	218,408	319,884	872	320,756
Total comprehensive income for the year	-	-	-	(234)	(654)	30,669	29,781	187	29,968
Dividend paid	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Balance at 31 March 2017	**100,000**	**801**	**1,400**	**(847)**	**(766)**	**240,077**	**340,665**	**1,059**	**341,724**
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 year	-	-	-	723	604	29,398	30,725	259	30,984
Dividend paid	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Transfer pursuant to Companies Act 2016 ("CA 2016")	801	(801)	-	-	-	-	-	-	-
Balance at 31 March 2018	**100,801**	**-**	**1,400**	**(124)**	**(162)**	**260,476**	**362,391**	**1,318**	**363,709**

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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 31-March-2018

	Year-To-Date Ended	
	31.03.2018 RM'000 Audited	31.03.2017 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,003	43,528
Adjustments for:		
Allowance for doubtful debts no longer required	(1,726)	(2,027)
Allowance for doubtful debts	844	842
Depreciation	23,412	16,766
Gain on disposal of property, plant and equipment	(5,591)	(194)
Impairment loss of other investments	-	57
Other investments written off	-	14
Property, plant and equipment written off	889	-
Share of results of associated company and joint venture, net of tax	221	(421)
Interest income	(1,429)	(1,437)
Dividend income	(37)	(37)
Interest expense	9,994	1,690
Unrealised loss / (gain) on foreign exchange	4,582	(2,854)
Operating profit before working capital changes	**73,162**	**55,927**
Net Changes in current assets	19,842	(40,575)
Net Changes in current liabilities	(36,525)	42,807
Cash generated from operations	56,479	58,159
Net tax paid	(14,302)	(16,514)
Net cash generated from operating activities	**42,177**	**41,645**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,631)	(13,530)
Proceeds from disposal of property, plant and equipment	18,462	279
Investment in subsidiary companies	(190,566)	-
Deposit paid for acquisition of subsidiary company	(10,000)	(30,984)
Investment in a joint venture	(400)	-
Acquisition of other investments	-	(70)
Interest received	1,429	1,437
Dividend received from other investments	37	37
Net cash used in investing activities	**(205,669)**	**(42,831)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	180,000	14,000
Drawdown of revolving credits	20,000	-
Repayment of term loans	(16,109)	(13,302)
Repayment of hire purchase and finance lease liabilities	(1,317)	-
Interest paid	(9,994)	(1,690)
Dividends paid	(9,000)	(9,000)
Net cash generated from / (used in) financing activities	**163,580**	**(9,992)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**88**	**(11,178)**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	81,699	92,585
EFFECT OF EXCHANGE RATE CHANGES	(1,369)	292
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**80,418**	**81,699**
Represented by:		
Fixed deposits with licensed bank	45,369	34,517
Cash and bank balances	35,049	47,182
	80,418	**81,699**

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 audited 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 IC 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 IC 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 and relevant to their operations 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
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2019
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
Amendments to MFRS 3, MFRS11, MFRS 112 MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to various MFRS Standards	Conceptual Framework in MFRS Standards	1 January 2020
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 IC 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 have 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)

(i) Classification of financial instruments

Management has assessed the Group's business model and the contractual terms of the cash flows to financial assets at the date of initial application. For equity investments and hedge instrument classified as available-for-sale financial assets, the Group has elected to designate these financial instruments to be measured at fair value through other comprehensive income.

The Group expects that its existing hedge instrument that is designed in effective hedging relationship will continue to qualify for hedge accounting under MFRS 9.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

(ii) Impairment of financial assets

Financial assets measured at amortised costs will subject to the new expected credit loss model.

The Group expects to apply simplified approach on all trade receivables to recognise lifetime expected credit losses. Based on preliminary assessment performed by management, there will be no significant impact to the Group.

MFRS 9 also requires expanded disclosures and the Group will apply MFRS 9 from 1 April 2018 with the application of practical expedients permitted under MFRS 9. Comparatives for the financial year ended 31 March 2018 will not be restated.

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.

MFRS 15 also requires expanded disclosures on the Group's revenue transactions in the financial statements. Many of the disclosure requirements in MFRS 15 are completely new.

The Group intends to adopt MFRS 15 using the modified retrospective approach and apply the practical expedients where appropriate, which means that the cumulative impact of the adoption, if any, will be recognised in the retained earnings as of 1 April 2017 and the comparatives will not be restated. Based on preliminary assessment performed by management, there will be no significant impact to the Group.

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 year, the Company paid:

(i) A final single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2017 was paid on 17 July 2017, and

(ii) 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 was paid on 26 March 2018.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	12 months ended		12 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
International Business Solutions				
Air Freight Forwarding Division	170,993	170,426	3,742	3,645
Ocean Freight Forwarding Division	106,587	92,093	8,552	10,435
	277,580	**262,519**	**12,294**	**14,080**
Domestic Business Solutions				
Contract Logistics Division	284,719	235,702	36,255	25,703
Cold Supply Chain Division	61,408	-	7,263	-
Trucking Division	86,502	86,181	(1,783)	(1,728)
	432,629	**321,883**	**41,735**	**23,975**
Others	-	-	(12,026)	5,473
Total	**710,209**	**584,402**	**42,003**	**43,528**

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:

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"), which is collectively referred to as the proposed "Westport Acquisition":

(a) On 13 April 2018 , the Company announced that all conditions precedent in the SPA & SPA of the proposed Wesport Acquisition, has been fulfiled on 12 April 2018. Accordingly, the proposed "Westport Acquisition" has become unconditional on 12 April 2018. However, in accordance to the SSA, the completion of the proposed Westport Acquisition is subject to the settlement of the balance purchase consideration for the proposed Westport Acquisition, which was pending completion as at the reporting date.

(b) A bank term loan of RM126.0 million to finance the proposed Westport Acquisition was secured on 21 May 2018.

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

A12. Changes in Composition of the Group

Acquisition of 100% equity interest, representing 2,500,000 ordinary shares in Meriah Selalu Sdn Bhd ("MSSB") with a piece of leasehold land for the term of 99 years expiring 9th June 2086 held under HSM 6188, PT4154, Tempat Selat Klang Utara, Mukim Kapar, Daerah Klang, approximately 2,4068 hectares together with a single-storey site building , which 100% wholly owned by NYK Line Holdings (Malaysia) Sdn Bhd ("NYKSB") for a cash consideration RM15,712,398, was completed on 2 February 2018. MSSB became a 100% owned subsidiary and is categorised under Haulage business under Domestics Business Solutions ("DBS") segment of the Group.

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 31.03.2018 RM'000	As at 31.03.2017 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	9,842	1,814
- proposed acquisition of subsidiary companies	121,377	298,385
	========	========

A15. Related Party Disclosures

	12 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	458	481
Labour charges paid and payble to subsidiary companies	35,751	25,814
Maintenance charges paid and payable to a subsidiary company	3,585	6,139
Handling fees paid and payable to a subsidiary company	1,079	1,808
Handling fees received and receivable from a subsidiary company	149	293
Related logistic services paid and payable to a subsidiary company	8	6
Related logistic services received and receivable from a subsidiary company	5,980	4,692
Rental of premises paid and payable to a subsidiary company	4,537	4,537
Rental of trucks received and receivable from subsidiary company	1,922	1,837
Interest received and receivable	452	936
	========	========
Transaction with immediate holding company		
Related logistic services received and receivable	51,113	51,597
Related logistic services paid and payable	15,789	16,490
Transaction with related companies		
Related logistic services received and receivable	61,007	46,632
Related logistic services paid and payable	69,853	63,334
Management fee paid and payable	4,424	3,950
IT fees paid and payable	693	312
Rental received	316	300
Repair and maintenance services	-	458
	========	========
Transaction with associated company		
Rental of premises paid	94	1,410
Accounting fee paid	-	14
	========	========

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

B1. Performance Review : Year-to-date April 2017-March 2018 vs Year-to-date April 2016-March 2017

	12 months ended			
	31.03.2018	31.03.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	710,209	584,402	125,807	21.5%
Profit from operations	52,218	44,797	7,421	16.6%
Profit before Interest and tax	51,997	45,218	6,779	15.0%
Profit before taxation	42,003	43,528	(1,525)	-3.5%
Profit after taxation	29,657	30,856	(1,199)	-3.9%
Profit Attributable to Ordinary Equity Holders of the Parent	29,398	30,669	(1,271)	-4.1%

The Group achieved revenue of RM710.2 million for the financial year ended ("FYE") 31 Mar 2018 as against RM584.4 million a year earlier, an increase of RM125.8 million (21.5 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions ("IBS") was up by RM15.1 million (5.7 per cent) from RM262.5 to RM277.6 million y-o-y. Domestics Business Solutions ("DBS") segment also recorded an increased in revenue of RM110.7 million (34.4 per cent) from RM321.9 to RM432.6 million y-o-y.

In the IBS segment, revenue of Air Freight Forwarding ("AFF") division edged up 0.3 per cent (RM0.6 miillion) from RM170.4 million to RM171.0 million y-o-y. Shipments from printed circuit boards, aerospace, tobacco, electronic & electrical ("E&E"), capacitors as well as semiconductors customers contributed to the increase. As for Ocean Freight Forwarding ("OFF") division, export shipments contribution by solar panel, 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 revenue OFF business from RM92.1 million to RM106.6 million, an increase of RM14.5 million (15.7 per cent) y-o-y.

As for the DBS, Contract Logistics ("CL") posted an increase of RM49.0 million (20.8 per cent), from RM235.7 million to RM284.7 million y-o-y. The revenue increase in CL was mainly underpinned by strong revenue contribution from Warehouse and In-Plant divisions. A global repair parts operation of an E&E customer and a new secured electrical appliance customer coupled with new RDC operation of a semiconductor customer boosted revenue of Warehouse and In-Plant businesses rose by RM34.9 million (38.0 per cent) and RM4.0 million (21.8 per cent). Increase export shipments from existing E&E, solar panel 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 uplifted revenue of Custom Clearance division by RM8.8 million (10.3 per cent). Revenue from haulage division increased by RM1.3 million (3.3 per cent). Trucking division recorded a slight increase in revenue of RM0.3 million (0.4 per cent). The newly acquired cold supply chain business, contributed a post-acquisition revenue of RM61.4 million to the new business segment, Cold Supply Chain Logistics ("CSC") of DBS segment of the Group.

Profit before taxation ("PBT") for the year-to-date ended 31 March 2018 decreased to RM42.0 million from RM43.5 million, decrease of RM1.5 million (3.5 per cent), and profit after tax ("PAT") for the year went down from RM30.8 million to RM29.6 million (3.9 per cent) y-o-y.

Despite revenue increase in IBS business, PBT of IBS business fell 12.7 per cent (RM1.8 million) from RM14.1 million to RM12.3 million. PBT generated from AFF business slightly rose from RM3.6 million to RM3.7 million, an increase of RM0.09 million (2.7 per cent). However, OFF business posted a decrease in PBT of RM1.8 million (18.0 per cent) from RM10.4 million to RM8.5 million. It was largely caused by low margin, especially OFF business, resulted from competitive freight rates as well as surcharges. PBT from DBS segment surged 74.1 per cent, an increase in of RM17.8 million from RM23.9 million to RM41.7 million y-o-y. The increase in PBT was largely contributed from CL and CSC businesses. PBT of CL business surged by RM10.6 million (44.1 per cent) from RM25.7 million to RM36.3 million, underpinned by strong performance in warehouse and in-plant divisions in veiw of higher revenue. Warehouse division contributed an increase in PBT by RM10.5 million (149.8 per cent), inclusive of one-off gain of RM4.6 million from disposal of a warehouse located at Port Klang, whereas In-plant division contributed an increase ofRM1.0 million (21.5 per cent) y-o-y. The newly-acquired CSC business contributed PBT of RM7.2 million to DBS segment of the Group. Despite Trucking division has been exercising cost down measures, fuel price fluctuation coupled with imbalance trips impacted PBT of Trucking business was down by RM0.05 million (3 per cent). .

Apart from the operating business segments, PBT was affected aversely due to additional costs from support segment. This was largely resulted from increased professional and compliance expenses for corporate merger & acquisition exercises, RM8.3 million finance costs of funding for newly-acquired CSC business as well as unrealised loss on foreign exchange.

B2. Comparison with Previous Year Corresponding Quarter's Results : Jan 2018 to March 2018 vs Jan 2017 to March 2017

	3 months ended			
	31.03.2018	31.03.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	169,501	147,392	22,109	15.0%
Profit from operations	13,174	12,466	708	5.7%
Profit before Interest and tax	13,070	12,577	493	3.9%
Profit before taxation	9,636	12,170	(2,534)	-20.8%
Profit after taxation	5,100	7,556	(2,456)	-32.5%
Profit Attributable to Ordinary Equity Holders of the Parent	5,039	7,524	(2,485)	-33.0%

The Group's revenue for the fourth financial quarter ended 31 March 2018 ("Q4FY2018") was posted at RM169.5 million, as against revenue of RM147.4 million for the fourth financial quarter ended 31 March 2017 ("Q4FY2017") quarter-on-quarter ("q-o-q"). This represents an increase of 15.0 per cent (RM22.1 million). The increase in revenue was largely contributed from DBS segment.

Revenue of IBS decreased by RM10.8 million (15.2 per cent), from RM71.5 million to RM60.7 million whereas DBS segment recorded a signigicant revenue hike from RM75.8 million to RM108.8 million, an increase of RM32.9 million (43.5 per cent) which included a contribution of RM21.9 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, reduction in export handling volume resulted in revenue falling in AFF and OFF business. Loss of an E&E customer business and reduction in export shipment of aerospace customer caused revenue of business dropped from RM49.0 million to RM40.2 million, a reduction of RM8.8 million (17.9 per cent) q-o-q. Whereas revenue of OFF business was also down by RM2.1 million (9.1 per cent), mainly resulting from 20% drop in handling export volume of a major solar panel customer to direct carriers. Within DBS segment, besides revenue contribution of RM21.9 million from new CSC business, revenue from CL business rose by RM14.6 million (27.0 per cent) while revenue from Trucking business was down by RM3.6 million (16.7 per cent) q-o-q. Within CL business, new secured E&E customers in central region and RDC of a semiconductor customer boosted revenue of warehouse business from RM22.0 million to RM30.5 million, an increase of RM8.5 million (38.8 per cent). The new secured E&E customer in central region uplifted revenue of In-Plant business by RM1.2 million (29.1 per cent). Increase in import shipments of a paper customer coupled with contribution by a solar panel customer boosted revenue of custom clearance business from RM18.7 million to RM23.2 million, rose by RM4.5 million (24.2 per cent). Haulage business recorded slight increasd in revenue of RM0.4 million (4.0 per cent), from RM9.4 million to RM9.8 million. Reduction in Thailand cross border trucking business coupled with loss of a FMCG business resulted in lower revenue in Trucking business.

PBT of the Group for Q4FY2018 decreased by 20.8 per cent from RM12.1 million to RM9.6 million q-o-q. Reduction in revenue and volume handled coupled with low profit margin resulting from competitive freight rates impacted PBT of IBS dropped by RM2.0 million (59.4 per cent), from RM3.4 million to RM1.4 million q-o-q. Within IBS, AFF business posted a drop of RM0.3 million (47.8 per cent) whereas PBT OFF business plunged by RM1.7 million (61.9 per cent) q-on-q. On the other hand, DBS segment posted an increase of RM9.8 million (200.1 per cent) from RM4.9 million to RM14.7 million. The robust PBT performance of DBS was buoyed by CL and CSC businesses. PBT of CL hiked up to RM11.1 million, an increase of RM6.0 million (117.4 per cent) from RM5.1 million. Within CL businesses, PBT of Warehouse and Custom Clearance division rose by RM5.4 million (324.8 per cent) and RM0.8 million (90.6 per cent) which were backed by robust revenue performance and one-off gain of RM4.6 million from disposal of a warehouse located at Port Klang . PBT from In-Plant and Haulage divisions reduced by RM0.1 million and RM0.1 million respectively. PBT contribution by new CSC business of RM3.2 million. Cost down on subcontractor expenses coupled with better profit margin of E&E customer resulted PBT of Trucking business improved by RM0.6 million (320.0 per cent).

However, the net increase in PBT of RM7.8 million from the above business segments was furhter offset by the significant decrease in PBT from support segment by RM10.3 million (270.3 per cent) which mainly resulted from increase in professional and compliance expenses for corporate merger & acquisition exercises and finance costs of funding for new acquired CSC business as well as unrealised loss on forex.

B3. Comparison with Preceding Quarter's Results: January 2018 to March 2018 vs October 2017 to Decemebr 2017

	3 months ended			
	31.03.2018	31.12.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	169,501	191,660	(22,159)	-11.6%
Profit from operations	13,174	14,193	(1,019)	-7.2%
Profit before Interest and tax	13,070	14,133	(1,063)	-7.5%
Profit before taxation	9,636	10,960	(1,324)	-12.1%
Profit after taxation	5,100	8,249	(3,149)	-38.2%
Profit Attributable to Ordinary Equity Holders of the Parent	5,039	8,173	(3,134)	-38.3%

B3. Comparison with Preceding Quarter's Results: January 2018 to March 2018 vs October 2017 to Decemebr 2017 (continue)

The Group's revenue of the fourth quarter ended 31 March 2018 ("Q4FY2018") was registered at RM169.5 million, as against revenue of RM191.7 million of the preceding quarter ended 31 December 2017. This represents a decrease of RM22.1 million (11.6 per cent). Seasonal demand swings in domestic and international market effected downtrend in both IBS and DBS businesses. IBS segment posted a decrease of RM10.2 million (14.4 per cent) while DBS segment recorded decrease in sales result by RM12.0 million (9.9 per cent) as against preceding quarter.

Within the IBS segment, AFF division posted decrease in revenue from RM44.9 million to RM40.2 million (10.6 per cent) for the current quarter under review. On the other hand, decrease in sea shipments support from solar panel manufacturer USA and tobacco customer resulted revenue of OFF business drop from RM26.0 million to RM20.5 million, a decrease of RM5.5 million (21.1 per cent).

Within DBS segment, CSC business contributed an increase revenue of RM0.7 million (3.6 per cent) to DBS segment of the Group. CL division posted a decrease of RM7.6 million (9.9 per cent) while revenue of Trucking business dropped by RM5.1 million (22.1 per cent) as against preceding quarter. Seasonal slowdown in export and import market triggered low handling volume for all businesses in CL. Revenue in Custom Clearance, Haulage, Warehouse and In-Plant divisions were down by RM2.0 million (8.1 per cent), RM1.4 million (12.3 per cent), RM2.8 million (8.5 per cent) and RM1.3 million (19.2 per cent) respectively. Low distribution activities affected Trucking division posted low revenue of RM5.1 million (22.1 per cent).

PBT for Q4FY2018 decrease from RM11.0 million to RM9.6 million as against preceding quarter, a decrease of RM1.3 million (12.1 per cent). PBT of IBS tumbled 43.5 per cent (RM1.0 million) as against last quarter from RM2.4 million to RM1.4 million. DBS segment posted an increase of RM3.6 million (32.7 per cent) from RM11.1 million to RM14.8 million. However, the net increase (RM2.6 million) in PBT from operating segments of IBS and DBS were further bogged down by increase in expenses of RM3.9 million from support segment, largely resulted from incurrence of unrealised loss on forex as at financial year end and finance costs of funding for new CSC business.

Within IBS segment, lower revenue performance coupled with thin profit margin resulted AFF and OFF businesses recorded drop in PBT. PBT of AFF business decreased by RM0.7 million (67.6 per cent), from RM1.0 million to RM0.3 million. PBT of OFF business dropped by RM0.4 million (26.9 per cent) from RM1.5 million to RM1.1 million.

PBT from DBS segment was up from RM11.1 million to RM14.8 million, an increase of RM3.6 million (32.7 per cent) as against preceding quarter. CSC business contributed an increase of RM0.6 million (20.8 per cent). CL and Trucking businesses posted increased PBT by RM2.0 million (22.7 per cent) and RM1.0 million (169.8 per cent) respectively. In view of low revenue posted by CL business in current quarter under review, except for warehouse and Custom Clearance divisions, all divisions experienced drop in PBT as against last quarter. PBT of Custom Clearance rose by RM0.2 million (17.2 per cent). PBT of Warehouse division increased by RM3.7 million (107.7 per cent), largely contributed from RM4.6 million one-off gain on a disposal of a warehouse located at Port Klang. However, the increases in PBT from Custom Clearance and Warehouse divisions was partially offset by decrease PBT in haulage and in-plant business of RM0.9 million (40.7 per cent) and RM0.9 million (49.9 per cent) respectively. Trucking business posted an increase of RM1.0 million (169.8 per cent) against last quarter loss of RM0.6 million, largely resulting from close down of Singapore branch and cost down on subcontractor expenses.

B4. Prospects for the next financial year

The World Economic Outlook report ("WEO") released by the International Monetary Fund ("IMF") in April 2018 reported that the upswing in global investment and trade continued in the second half of 2017, resulting in a full year growth of 3.8 percent. This represents the fastest global growth since 2011, and exceeds IMF's original projections a year ago by 0.3 percent. The growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. IMF projected global growth to tick up to 3.9 percent in both 2018 and 2019, with the advanced economies growing faster than potential, and emerging and developing economies to firm further. IMF opined that upside and downside risks to the short-term outlook remained broadly balanced; however, risks beyond the next several quarters clearly lean to the downside. (Source: WEO dated April 2018)

In Malaysia, following the surprise victory of Pakatan Harapan ("PH") in the recent elections, economists are still debating on the impact of its victory to the economy. In its manifesto, PH plans to abolish GST, reintroduce fuel subsidy, abolish toll roads and raise the minimum wages, amongst others. Economists are generally of the opionion that these actions would pose a significant fiscal risk, but only in the absence of off-setting measures. Nevertheless, the PH government has declared that it is business and investment-friendly, and has already made some moves to restore confidence. With its successful experience in governing the two most economically advanced states in Malaysia, as well as the safe hands of the highly-experienced Prime Minister, the country's economic growth is expected to remain healthy. Prior to this latest development, Bank Negara Malaysia ("BNM") announced in March 2018 that the Malaysian economy recorded a growth of 5.9 percent in 2017 (2016: 4.2 percent). For 2018, BNM has raised its growth forecast to between 5.5 to 6.0 percent (up from the previous forecast of between 5.0 to 5.5 percent). Domestic demand is expected to continue to be the key driver of growth, underpinned by continued growth in wages and employment, business optimism and favourable demand. The external sector, meanwhile, is expected to benefit from better global growth, with positive spill-overs to the domestic economic activities. (Source: BNM)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as our core businesses in logistics are directly affected by the health of the domestic economic activities and international trade. The improving global economy and the firm local economy are positive developments for the Group, in particular the robust export performance, growth in manufacturing sector including sustained production of E&E products, and improvements in the wholesale, retail and F&B sectors. Operationally, the Group has turned in a commendable peformance for the FY just ended, with the results approximately the same as the previous FY despite the marked increase in finance costs due to our recent M&A of cold-chain logistics businesses (which was fully financed via bank borrowings). As stated in our last quarter commentary, the Group would be evaluating the various available options in order to mitigate this situation in the medium term. On another note, the Group has been undertaking various activities in recent years in order to diversify from our traditional core business of factory logistics and Japanese-based customers. Thus far, we have succeeded in diversifying into other industries such as FMCG, chemical, aero-space, and more recently, into the cold-chain industry. We have also succeeded to secure a sizable base of non-Japanese-based customers. Our latest effort in our diversification strategy is to enter into the trading business (via our joint-venture collaboration with Yee Lee Berhad, a major trading group in Malaysia) and retail logistics business. We anticpate that as Malaysia grows to become a more prosperous nation, these are the areas of growth in which to position our Group. Going forward into FY2019, we anticipate that the downside risks for the Group would continue to be rising operational costs (in particular labour costs), higher interest costs, 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 12 months ended	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax				
- Current tax	(2,923)	(2,302)	(12,150)	(11,129)
- overprovision in prior years	(1,295)	192	(1,295)	192
	(4,218)	(2,110)	(13,445)	(10,937)
Real property gains tax	(428)	-	(428)	-
Deferred tax				
- Current year	42	(1,553)	1,459	(784)
- underprovision in prior years	68	(789)	68	(789)
- real property gains tax	-	(162)	-	(162)
	(4,536)	(4,614)	(12,346)	(12,672)

The Group's effective tax rate for the cumulative 12 months ended 31 March 2018 was above the statutory rate of 24% for the current quarter under review is mainly due to non-deductible expenses.

B7. Corporate Proposals

On 13 April 2018 , the Company announced that proposal for all the conditions precedent in the SPA & SSA 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.("Wesport Acquisition"), has been fulfilled on 12 April 2018. Accordingly, the proposed "Westport Acquistion" has become unconditional on 12 April 2018. However, in accordance to the SSA, the completion of the proposed Westport Acquisition is subject to the settlement of the balance purchase consideration for the proposed Westport Acquisition, which was pending completion as at the reporting date.

B8. Borrowing

	As at 4th quarter ended 31.03.2018					
	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	-	2,103	-	812	-	2,915
Bank loan (Synthetic Foreign currency and unsecured) - USD *	6,034	-	11,121	-	17,155	-
Bank loan (unsecured)		156,067		35,133	-	191,200
Bank loan (secured)	-	38,799	-	5,879	-	44,678
Revolving credit facilities	-	-	-	20,000	-	20,000
Total borrowings	6,034	196,969	11,121	61,824	17,155	258,793

	As at 4th quarter ended 31.03.2017					
	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	-	-	-	-	-	-
Bank loan (Synthetic Foreign currency and unsecured) - USD **	33,208	-	15,199	-	48,407	-
Bank loan (secured)	-	-	-	-	-	-
Revolving credit facilities	-	-	-	-	-	-
Total borrowings	33,208	-	15,199	-	48,407	-

* USD denomination at average exchange rate of USD$1:RM3.863
** USD denomination at average exchange rate of of USD$1:RM4.42

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.

B8. Borrowing (continue)

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

On 24 May 2018, the Board of Directors declared single-tier dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2018. The entitlement date and payment date will be announced at the later date.

B11. Earnings Per Share

	3 months ended		**Cumulative 12 months ended**	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
PAT after non-controlling interest (RM'000)	5,039	7,524	29,398	30,669
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	2.52	3.76	14.70	15.33

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2018. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 March 2018, the Group has the following outstanding derivative financial instruments:

Derivatives	**Contract or Notional amount as at 31.03.2018 RM'000**	**Contract or Notional amount as at 31.03.2017 RM'000**	**Fair value net gains or (loses) 31.03.2018 RM'000**	**Fair value net gains or (loses) 31.03.2017 RM'000**	**Purpose**
1. Cross currency swap Contracts:					
- More than 3 years	17,155	48,407	1,987	7,263	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. Profit for the period

	3 months ended		Cumulative 12 months ended	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period is arrived at after crediting:				
Interest income	452	304	1,429	1,437
Other income	2,359	2,361	3,659	2,796
Gain on disposal of land and building	5,591	-	5,591	-
Foreign exchange gain	-	897	-	1,201
Unrealised foreign exchange gain	-	2,855	-	2,855
and after charging:				
Interest expenses	3,434	407	9,994	1,690
Depreciation	6,957	3,912	23,412	16,766
Provision for/write off receivables	844	843	844	843
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	1,941	-	2,354	-
Unrealised foreign exchange loss	4,582	-	4,582	-
Impairment loss of other investment	-	57	-	57

There were no gain or loss on disposal of quoted or unquoted investment, impairment of assets, gain or loss on derivaties or exceptional item for current quarter and financial period ended 31 March 2018 (31 March 2017: Nil).