TASCO Berhad
(Company No: 20218-T)

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

	3 months ended		Cumulative 9 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	184,694	191,660	557,427	540,708
Cost of sales	(158,741)	(160,779)	(480,115)	(456,579)
Gross profit	**25,953**	**30,881**	**77,312**	**84,129**
Other operating income	681	838	3,627	2,277
General and administrative expenses	(17,481)	(17,526)	(51,901)	(47,362)
Profit from operations	**9,153**	**14,193**	**29,038**	**39,044**
Share of profits of associated companies	(96)	(60)	(254)	(117)
Finance costs	(4,685)	(3,173)	(13,996)	(6,560)
Profit before taxation	**4,372**	**10,960**	**14,788**	**32,367**
Tax expense	(1,167)	(2,711)	(3,625)	(7,810)
Profit for the period	**3,205**	**8,249**	**11,163**	**24,557**
Profit Attributable to:				
Owners of the Company	3,136	8,173	10,922	24,359
Non-Controlling Interest	69	76	241	198
	3,205	**8,249**	**11,163**	**24,557**
Earnings per share (sen) - basic	1.57	4.09	5.46	12.18

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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-2018

	3 months ended		Cumulative 9 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	**3,205**	**8,249**	**11,163**	**24,557**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	(33)	215	(285)	346
Fair Value adjustment on cash flow hedge	28	151	101	717
Other comprehensive income/(Loss) for the period, net of tax	(5)	366	(184)	1,063
Total Comprehensive Income	**3,200**	**8,615**	**10,979**	**25,620**
Total Comprehensive Income attributable to:				
Owners of the Company	3,131	8,539	10,738	25,422
Non-Controlling Interest	69	76	241	198
	3,200	**8,615**	**10,979**	**25,620**

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2018 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-2018

	As at 31.12.2018 RM'000 Unaudited	As at 31.03.2018 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	531,159	386,393
Goodwill	81,864	81,864
Investment in associated company	3,308	3,502
Investment in a joint venture	368	399
Other investments	1,008	1,008
Total non-current assets	**617,707**	**473,166**
Current assets		
Trade receivables	117,660	108,936
Other receivables, deposits and prepayments	22,009	65,412
Amount owing by immediate holding company	4,048	4,699
Amounts owing by related companies	8,333	9,637
Amounts owing by Joint Venture company	3,600	-
Current tax asset	8,796	5,955
Fixed deposits with licensed banks	25,360	45,369
Cash and bank balances	44,406	35,049
Short-term investment	5,112	-
Total current assets	**239,324**	**275,057**
Non-current assets classified as held for sale	-	173
TOTAL ASSETS	**857,031**	**748,396**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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-2018

	As at 31.12.2018 RM'000 Unaudited	As at 31.03.2018 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	100,801	100,801
Revaluation reserve	1,400	1,400
Hedge reserve	(23)	(124)
Exchange translation reserve	(447)	(162)
Retained profits	266,397	260,476
Equity attributable to owners of the Company	368,128	362,391
Non-controlling interest	1,560	1,318
Total equity	**369,688**	**363,709**
Non-current liabilities		
Hire purchase and finance lease liabilities	273	2,103
Long term bank loan	294,887	200,900
Deferred tax liabilities	24,625	23,952
Total non-current liabilities	**319,785**	**226,955**
Current liabilities		
Trade payables	50,359	38,728
Other payables, deposits and accruals	29,587	38,063
Amount owing to immediate holding company	1,551	1,416
Amounts owing to related companies	5,025	5,528
Hire purchase and finance lease liabilities	1,738	812
Bank term loan	63,298	52,133
Revolving credit	15,000	20,000
Current tax liabilities	1,000	1,052
Total current liabilities	**167,558**	**157,732**
Total liabilities	**487,343**	**384,687**
TOTAL EQUITY AND LIABILITIES	**857,031**	**748,396**
Net Assets per share (RM)	**1.84**	**1.81**

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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-2018

	Attributable to Owners of the Company								
	Non-distributable					Distributable			
	Share capital	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Transfer pursuant to Companies Act 2016	801	(801)							
Balance at 31 Dec 2017	**100,801**	**-**	**1,400**	**(130)**	**(420)**	**259,435**	**361,086**	**1,257**	**362,343**
Balance at 1 April 2018	100,801	-	1,400	(124)	(162)	260,476	362,391	1,318	363,709
Total comprehensive income for the period	-	-	-	101	(285)	10,922	10,738	241	10,979
Dividend	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 31 Dec 2018	**100,801**	**-**	**1,400**	**(23)**	**(447)**	**266,397**	**368,128**	**1,560**	**369,688**

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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-2018

	Year-To-Date Ended 31.12.2018 RM'000 Unaudited	Year-To-Date Ended 31.12.2017 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,788	32,367
Adjustments for:		
Depreciation	20,355	16,455
Negative goodwill	(553)	-
Gain on disposal of property, plant and equipment	(760)	(245)
Share of profits of associated and joint venture company, net of tax	225	117
Interest income	(1,057)	(977)
Interest expense	13,996	6,560
Operating profit before working capital changes	**46,994**	**54,277**
Net Changes in current assets	36,100	43,070
Net Changes in current liabilities	2,786	(43,918)
Cash generated from operations	85,879	53,429
Tax paid	(7,594)	(10,652)
Net Cash generated from operating activities	**78,285**	**42,777**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(152,351)	(20,677)
Proceeds from disposal of property, plant and equipment	932	283
Acquisition of subsidiary company	(9,925)	(176,153)
Investment in joint venture company	-	(400)
Interest received	1,057	977
Net cash used in investing activities	**(160,287)**	**(195,970)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	126,000	190,000
Repayment of term loan	(20,212)	(11,861)
Repayment of revolving credits	(5,000)	-
Advances to joint venture	(3,600)	-
Payment of hire purchase and finance lease liabilities	(1,445)	(1,127)
Interest paid	(13,996)	(6,560)
Dividend paid	(5,000)	(5,000)
Net cash generated from financing activities	**76,747**	**165,452**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(5,255)**	**12,259**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	80,418	81,700
EFFECT OF EXCHANGE RATE CHANGES	(285)	(23)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**74,878**	**93,936**
Represented by:		
Fixed deposits with a licensed bank	25,360	54,225
Cash and bank balances	44,406	39,711
Short-term investment	5,112	-
	74,878	**93,936**

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 2018. 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 2018.

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 2018.

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, amendments and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

MFRSs, Amendments to MFRSs and IC Interpretations		**Effective Date**
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 MFRS 3, MFRS 11, MFRS 112 and 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
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	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 interpretations are not expect to have significant impact on the financial statements of the Group and of the Company.

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 its mandatory effective date.

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

A3. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2018 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

On 13 July 2018, the Company paid a dividend of 2.50 sen per ordinary share amounting to RM5,000,000 in respect of financial year ended 31 March 2018. No interim or final dividends were paid in the current quarter under review.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months ended		9 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
International Business Solutions				
Air Freight Forwarding Division	128,919	130,818	7,092	3,418
Ocean Freight Forwarding Division	55,053	86,047	(1,359)	7,488
	183,972	**216,865**	**5,733**	**10,906**
Domestic Business Solutions				
Contract Logistics Division	240,251	215,786	12,155	25,983
Cold Supply Chain Division	72,127	39,497	9,144	4,027
Trucking Division	61,077	68,560	113	(3,044)
	373,455	**323,843**	**21,412**	**26,966**
Others	-	-	(12,357)	(5,505)
Total	**557,427**	**540,708**	**14,788**	**32,367**

A10. Valuation of Property, Plant and Equipment

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

A11. Subsequent Events

There was no material event subsequent to the end of the current quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

A13. Contingent Assets and Liabilities

There was no material contingent assets and liabilities since 31 March 2018 to the date of this report except for the debts contracted by Company's joint venture company, YLTC Sdn Bhd with its vendors in respect of such goods and services supplied, up to a maximum of RM2,500,000 for principal debt only. This letter of guarantee provided by the company shall expire on 31 July 2020.

A14. Capital Commitment

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	890	103,518
- acquisition in unquoted shares	-	43,832
	890	147,350

A15. Related Party Disclosures

	9 months ended 31.12.2018 RM'000	9 months ended 31.12.2017 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	324	341
Labour charges paid and payable to subsidiary companies	30,516	26,585
Labour charges received and receivable from a subsidiary company	843	-
Maintenance charges paid and payable to a subsidiary company	48	3,569
Handling fees paid and payable to a subsidiary company	-	1,082
Handling fees received and receivable from a subsidiary company	-	138
Related logistic services paid and payable to a subsidiary company	133	-
Related logistic services received and receivable from a subsidiary company	2,468	3,746
Rental of premises paid and payable to a subsidiary company	3,022	3,400
Rental of trucks received and receivable from subsidiary company	1,963	1,980
Rental of land and premises received and receivables from subsidiaries company	168	-
Transaction with immediate holding company		
Related logistic services received and receivable	32,280	38,757
Related logistic services paid and payable	13,123	11,843
Transaction with related companies		
Related logistic services received and receivable	47,073	45,831
Related logistic services paid and payable	49,081	48,702
Management fee paid and payable	4,424	3,334
IT fees paid and payable	798	594
Rental received	-	225
Repair and maintenance services	-	251
Rental of trucks paid and payable	2,236	-
Handling fees paid and payable	192	-
Transaction with associated company		
Rental of premises paid	-	94

TASCO Berhad

Company No:20218-T
Incorporated In Malaysia

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

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

	9 months ended			
	31.12.2018	31.12.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	557,427	540,708	16,719	3.09%
Profit from operations	29,038	39,044	(10,006)	-25.63%
Profit before Interest and tax	28,784	38,927	(10,143)	-26.06%
Profit before taxation	14,788	32,367	(17,579)	-54.31%
Profit after taxation	11,163	24,557	(13,394)	-54.54%
Profit Attributable to Ordinary Equity Holders of the Parent	10,922	24,359	(13,437)	-55.16%

The Group achieved revenue of RM557.4 million for the financial period ended ("FPE") 31 December 2018 as against RM540.7 million a year earlier, an increase of RM16.7 million (3.1 percent) year-on-year ("y-o-y"). Revenue of Domestics Business Solutions ("DBS") segment remained robust by recording an increase of 15.3 percent (RM49.6 million), from RM323.8 million to RM373.4 million y-o-y, whereas revenue from International Business Solutions ("IBS") showed a decline of RM32.9 million (15.2 percent) from RM216.9 million to RM184.0 million y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted marginal decrease of RM1.9 million (1.5 percent). Drop in export shipments to Europe and India, due to discontinuation of business with a major electronic & electrical ("E&E") as well as drop in volume of a major semiconductor manufacturer who contributed significant volume, impacted sales to AFF business but it was partially offset by revenue increases from aerospace, electronic and ceramic capacitor customers. In the Ocean Freight Forwarding ("OFF") division, direct sea shipment booking with carrier by existing solar panel customer caused revenue of to drop significantly by RM31.0 million (36.0 percent), from RM86.0 million to RM55.0 million y-o-y.

Revenue of DBS segment was strengthened from Cold Supply Chain ("CSC") division, by contributing an increase of RM32.6 million (82.6 percent), from RM39.5 million to RM72.1 million y-o-y to DBS segment. The significant increase was mainly due to the results of CSC was consolidated from July 2017; hence the comparative was not for the full period. Similarly, Contract Logistics ("CL") division performed strongly to contribute an increase in revenue of RM24.5 million (11.3 percent), from RM215.8 million to RM240.2 million. Within CL business, custom clearance business was the largest revenue contributor to CL division, with an increase in revenue of RM20.2 million (28.7 percent), from RM70.5 million to RM90.7 million, on the back of revenue contribution from a solar panel customer as well as contribution from project cargo. Newly secured convenience retail and tobacco customers coupled with increased cargo volume from musical instruments customer have greatly uplifted revenue of warehouse business but drop in handling volume of a semiconductor client and cessation of Repair Parts warehousing business of an E&E customer partially offset the revenue. Revenue of warehouse business rose from RM96.3 million to RM96.8 million, an increase of RM0.6 million (0.6 percent). Revenue of in-plant business rose by RM1.4 million (8.4 percent) as a result of increased production volume of existing E&E customer and a newly secured polyester film manufacturer in Northern Region. Increase in container deliveries especially for export shipment of existing and new customers resulted in haulage business recording a slight increase in revenue by RM2.3 million (7.1 percent). As for Trucking division, ceased business of cross border delivery from Thailand for an E&E customer coupled with delivery reduction in domestic distribution of F&B and automotive customers impacted Trucking division to record revenue drop by RM7.5 million (10.9 percent), from RM68.6 million to RM61.1 million.

Profit from operations for the year-to-date ended 31 December 2018 declined by RM10.0 million (25.6 percent) from RM39.0 million to RM29.0 million year-on-year. Profit before taxation ("PBT") for the year-to-date ended 31 December 2018 decreased from RM32.4 million to RM14.8 million, a drop of RM17.6 million (54.3 percent), and profit after tax ("PAT") for the period to-date went down from RM24.6 million to RM11.2 million (54.5 percent) y-o-y.

With decrease in revenue in IBS segment, PBT of IBS segment fell 47.4 percent (RM5.2 million), from RM10.9 million to RM5.7 million y-o-y. Within IBS, discontinuation of loss making export business with an E&E customer coupled with shipments contribution from aerospace business uplifted PBT from AFF division from RM3.4 million to RM7.1 million, an increase of RM3.7 million (107.5 percent) despite marginal drop in revenue y-o-y. However, the increase in PBT of AFF was bogged down by significant drop in OFF division due to aforesaid reason, posting a decrease in PBT of RM8.8 million (118.2 percent) from RM7.5 million to loss of RM1.4 million. As for DBS segment, it posted a decrease in PBT of RM5.5 million (20.6 percent) from RM27.0 million to RM21.4 million y-o-y. The increase in PBT was largely contributed from CSC and Trucking divisions. CSC division contributed an increase in PBT of RM5.1 million (127.0 percent), from RM4.0 million to RM9.1 million. Despite Trucking division registering a drop in revenue, continuous cost-down measures improved its PBT by RM3.2 million (103.7 percent). CL division on the other hand reported a decrease in PBT of RM13.8 million (53.2 percent) despite higher sales. This is mainly due to PBT of warehouse and in-plant businesses which fell by RM12.9 million (122.5 percent) and RM3.0 million (61.7 percent) respectively, mainly resulting from incurrence of startup and high operating expenses for newly secured convenience retail business. Elsewhere in CL business, custom clearance reported an increase in PBT of RM3.7 million (94.4 percent) on the back of revenue surge whereas PBT of haulage business dropped by RM1.6 million (24.3 percent) which was mainly attributable to increased fleet maintenance expenses.

Apart from the operating business segments, PBT was also bogged down due to additional costs from support segment. This resulted from increased finance costs of RM7.4 million (113.3 percent) from RM6.6 million to RM14.0 million on bank borrowing y-o-y which the bank loan was used to finance M&A and Westports FCZ warehouse.

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

	3 months ended			
	31.12.2018	31.12.2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	184,694	191,660	(6,966)	-3.6%
Profit from operations	9,153	14,193	(5,040)	-35.5%
Profit before Interest and tax	9,057	14,133	(5,076)	-35.9%
Profit before taxation	4,372	10,960	(6,588)	-60.1%
Profit after taxation	3,205	8,249	(5,044)	-61.1%
Profit Attributable to Ordinary Equity Holders of the Parent	3,136	8,173	(5,037)	-61.6%

The Group's revenue of the third quarter ended 31 December 2018 ("Q3FY2019") was registered at RM184.7 million, as against revenue of RM191.7 million of the preceding quarter ended 31 December 2017. This represents a decrease of RM7.0 million (3.6 percent) quarter-on-quarter ("q-o-q"). IBS segment posted a decrease of RM6.8 million (9.6 percent), from RM71.0 million to RM64.2 million while revenue of DBS segment was slightly down by RM0.2 million (0.1 percent), from RM120.7 million to RM120.5 million q-o-q.

Within the IBS segment, AFF division posted RM1.0 million (2.2 percent) down in revenue from RM44.9 million to RM43.9 million. Despite increased volume in aerospace manufacturers uplifted revenue, business discontinuation with a major E&E customer coupled with decreased volume by a major semiconductor customer resulted lower revenue of overall AFF business. Direct shipment booking with carrier by existing customer caused revenue of OFF business to fall from RM26.0 million to RM20.2 million, a drop of RM5.8 million (22.4 percent).

Within the DBS segment, CSC division contributed an increase of RM4.6 million (21.9 percent), from RM21.2 million to RM25.8 million q-o-q, largely contributed from a newly acquired business under CSC effective from June 2018. But it was bogged down by the revenue decline in CL and Trucking divisions. Revenue of CL division dropped by RM1.0 million (1.3 percent), from RM76.5 million to RM75.5 million whereas revenue of Trucking division fell by RM3.8 million (16.6 percent), from RM23.0 million to RM19.2 million. Within CL division, revenue from custom clearance and haulage businesses rose by RM0.1 million (0.5 percent) and RM1.5 million (13.4 percent) respectively. Increase in haulage revenue was mainly supported by E&E, solar panel and musical instrument customers. Also, warehouse business posted a decrease of revenue by RM1.7 million (5.1 percent), from RM33.3 million to RM31.6 million. Decline in warehousing volume of E&E and semiconductor customers impacted lower revenue to warehouse business despite revenue contribution from a newly secured convenience retail customer. Revenue of in-plant business dropped by RM0.9 million (13.3 percent) from RM6.7 million to RM5.8 million resulting from decreased production volume of E&E customers in Central region. Meanwhile, ceased business of cross border delivery from Thailand for an E&E customer coupled with delivery reduction in domestic distribution of F&B and automotive customers resulted in Trucking business recorded a reduction in revenue.

PBT for Q3FY2019 decreased from RM11.0 million to RM4.4 million q-o-q, a decrease of RM6.6 million (60.1 percent). PAT for Q3FY2019 fell by RM5.0 million (61.1 percent) from RM8.2 million to RM3.2 million. IBS segment recorded a slight increase in PBT by RM0.04 million (1.7 percent) from RM2.4 million to RM2.5 million while DBS segment recorded a decrease of RM4.9 million (43.8 percent) from RM11.1 million to RM6.2 million.

Within IBS segment, discontinuation of non-profit making export business with an E&E customer coupled with spot shipments largely uplifted PBT of AFF division from RM1.0 million to RM2.9 million, an increase of RM1.9 million (193.4 percent) despite revenue drop q-o-q. Significant revenue and volume drop, especially from a solar panel customer, caused the PBT of OFF business to dropped by RM1.9 million (130.0 percent) from RM1.5 million to a loss of RM0.4 million.

Within the DBS segment, CSC division contributed PBT of RM3.4 million, an increase of RM0.7 million (26.6 percent) q-o-q. PBT of Trucking division improved by RM0.8 million (56.7 percent) from loss RM1.4 million to loss RM0.6 million whereas PBT of CL division dropped from RM9.9 million to RM3.5 million, a drop of RM6.4 million (64.7 percent). Significant drop in PBT of CL business was mainly caused by lower PBT recorded in warehouse & in-plant business. PBT of warehouse and in-plant business declined by RM5.1 million (151.3 percent) and RM1.4 million (76.0 percent) respectively. Low warehouse occupancy in Southern Region coupled with high operating expenses incurred for newly secured convenience retail business and reduced revenue from a Regional Distribution Centre in KLIA caused PBT of warehouse business to drop significantly. Haulage business also showned a decrease of RM0.5 million (15.5 percent), mainly attributable to increase fleet maintenance expenses. On the other hand, increase in revenue and project cargo in custom clearance business slightly increase in PBT of custom clearance business by RM0.7 million (46.5 percent).

The reduction of PBT from IBS & DBS segments of the group were further offset by RM1.7 million decline in PBT from support segment which mainly resulted from increased finance cost of funding for new acquired CSC business and Westports FCZ warehouse.

B3. Comparison with Preceding Quarter's Results: October 2018 to December 2018 vs July 2018 to September 2018

	3 months ended			
	31.12.2018	30.09.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	184,694	191,098	(6,404)	-3.4%
Profit from operations	9,153	9,625	(472)	-4.9%
Profit before Interest and tax	9,057	9,531	(474)	-5.0%
Profit before taxation	4,372	3,647	725	19.9%
Profit after taxation	3,205	2,789	416	14.9%
Profit Attributable to Ordinary Equity Holders of the Parent	3,136	2,714	422	15.5%

The Group's revenue of the third quarter ended 31 December 2018 ("Q3FY2019") was registered at RM184.7 million, as against revenue of RM191.1 million of the preceding quarter ended 30 September 2018. This represents a decrease of RM6.4 million (3.4 percent). IBS segment posted an increase of RM4.5 million (7.6 percent), from RM59.6 million to RM64.2 million while DBS segment experienced a decrease in sales by RM10.9 million (8.3 percent), from RM131.4 million to RM120.5 million as against preceding quarter.

Within the IBS segment, AFF division posted revenue from RM41.9 million to RM43.9 million, an increase of RM2.0 million (4.8 percent). Increase in export air shipments of aerospace customers to UK resulted in AFF posted higher revenue in Q3FY2019. On the other hand, revenue of OFF increase from RM17.7 million to RM20.2 million, an increase of RM2.5 million (14.1 percent), mainly contributed from increased support from aerospace, aluminium and green recycling customers.

Within the DBS segment, CL division posted a decrease of RM9.4 million (11.0 percent), from RM84.9 million to RM75.5 million. Revenue of Trucking division dropped from RM21.4 million to RM19.2 million, a decrease of RM2.2 million (10.2 percent) while CSC contributed an increase of RM0.6 million (2.4 percent), from RM25.2 million to RM25.8 million. Within CL division, haulage business reported an increase of RM1.0 million (8.2 percent) due to strong support from E&E and newly secured customers. However, reduction in revenue in CL division was largely caused by custom clearance and warehouse businesses. Revenue of custom clearance dropped from RM32.8 million to RM25.4 million, an decrease of RM7.4 million (22.5 percent), mainly due to export shipments decline of solar panel and E&E customers coupled with reduction in import volume of paper and FMCG customers . Reduction in handling of warehousing volume of E&E and shoe customers in Central region resulted in the revenue of warehouse business dropping by RM2.4 million (7.1 percent), from RM34.0 million to RM31.6 million. Reduction in manufacturing activities of E&E customers in Central region in 3QFY2019 also affected in-plant business, causing a drop of RM0.5 million (8.0 percent) in revenue. Increased revenue from CSC division was largely contributed by a newly acquired business in June 2018 as against preceding quarter. Drop in distribution and deliveries of FMCG, chemical and E&E customers attributed Trucking division to record revenue drop in Q3FY2019.

PBT for Q3FY2019 increased from RM3.6 million to RM4.4 million as against preceding quarter, an increase of RM0.7 million (19.9 percent). PAT for Q3FY2019 increased by RM0.4 million (14.9 percent) from RM2.7 million to RM3.1 million. PBT for Q3FY2019 was greatly contributed from IBS segment. IBS segment recorded an increase of RM0.9 million (59.6 percent) from RM1.6 million to RM2.5 million. DBS segment recorded a marginal increase of RM0.015 million (0.2 percent) from RM6.2 million to RM6.3 million.

Within IBS segment, AFF experienced increase in PBT of RM1.1 million (61.9 percent) against preceding quarter underpinned by its higher sales revenue coupled with good profit margin resulting from lower market buying costs against customer bid price. Meanwhile, competitive freight rates and lower volume resulted in OFF business to incur loss before tax from RM0.2 million to RM0.4 million, an higher loss of RM0.2 million (76.3 percent).

Within the DBS segment, CL division recorded drop in PBT from RM3.6 million to RM3.5 million, a drop of RM0.1 million (2.5 percent). PBT of Trucking division dropped by RM0.6 million whereas PBT of CSC division rose by RM0.7 million. Drop in PBT of CL business was mainly caused by lower PBT recorded in warehouse, in-plant and custom clearance business. PBT of warehouse business dropped by RM0.8 million (81.0 percent), mainly attributable to reduction in sales and high operating costs incurred in a new warehousing operation of a newly secured convenience retail customer. Reduction in revenue resulted in the PBT of customer clearance and in-plant businesses to decline by RM0.1 million (5.0 percent) and RM0.4 million (45.7 percent) respectively. Haulage business reported higher PBT by RM1.2 million (83.1 percent) at the back of increased revenue and reduction in fleet maintenance expenses in Q3FY2019. Drop in PBT of Trucking division was greatly attributable to reduction in revenue coupled with higher repair and maintenance costs incurred.

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

In the latest World Economic Outlook report ("WEO") released in January 2019, the International Monetary Fund ("IMF") began by stating that global expansion has weakened. Global growth forecast for 2018 remained at 3.7 percent, the same as the IMF's October 2018 forecast. However, growth projections for 2019 and 2020 have weakened to 3.5 percent and 3.6 percent respectively, 0.2 and 0.1 percentage points below last October's projections. The downgrade is a continuation from last WEO which was partly as a result of trade tension. Further downward revision in this quarter partly reflects the carry over of slower momentum in major economies such as Germany, Italy and Turkey, but also reflects weakening financial market sentiments. The IMF opined that risks to global growth continues to tilt to the downside. Any escalation of trade tension between the U.S. and China remains a key source of risk, as would as range of other triggers such as a hard Brexit and a greater-than-envisaged slowdown in China.
(Source: WEO dated January 2019)

In Malaysia, Bank Negara Malaysia ("BNM") had on 14 February 2019 announced that the Malaysian economy grew by 4.7 percent in the fourth quarter of 2018, bringing the total Gross Domestic Product ("GDP") for the whole of 2018 to 4.7 percent. Private sector activity remained the main growth driver, and a rebound in exports of goods and services contributed to positive growth of net exports. On the supply side, the services sector was supported by continued strength in consumer spending. Growth in manufacturing sector continued to be driven by E&E and consumer-related clusters, whereas the commodities-related sector continued to recover. Going forward, BNM expected the Malaysia economy to remain on a steady growth path. Private sector demand is still expected to be the main growth driver amid continuing fiscal rationalization, while the external sector is likely to soften due to moderating global demand. Meanwhile, the Malaysian Institute of Economic Research ("MIER") in its Malaysia Economic Outlook Report ("MEO") in January 2019 has forecasted a growth of 4.5 percent for the Malaysian economy in 2019, on the back of a slower global growth. The MIER remained cautious in its outlook of the domestic economy and has noted a dip in its fourth quarter Consumer Sentiments Index.
(Source: BNM press statement dated 14 February 2019 and MEO dated January 2019)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as the logistics industry is directly affected by the health of the economic activities and international trade. Despite the moderating economy, our topline continues to be in positive territory y-o-y, by 3.1 percent for the financial year-to-date. As noted in the results analysis above, the maintenance of the topline was in no small part due to our CSC business which provided our Group with another support anchor, on top of our traditional anchors of CL, Trucking, AFF and OFF. Hence, it can be seen that our strategy to diversify into cold supply chain logistics via M&A has already borne fruits. Nevertheless, our M&A of CSC logistics businesses were financed fully by bank borrowings, and this has resulted in higher finance costs for the Group. The other area that we have recently ventured into is the convenience retail logistics. As noted in previous quarter's commentary, this move has impacted our bottom line negatively in the short term, due to high pre-operating and start-up costs. Nevertheless, we will take necessary action to close the performance gap, by cost reduction exercise as well as re-negotiating rates with customers. Going forward, the downside risks for the Group continue to include rising operational costs (labour costs, Sales and Service Tax), 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 9 months ended	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax				
- Current tax	140	(3,064)	(3,988)	(9,227)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(1,307)	353	363	1,417
- underprovision in prior years	-	-	-	-
	(1,167)	(2,711)	(3,625)	(7,810)

The Group's effective tax rate for the cumulative 9 months ended 31 December 2018 was about the statutory rate of 24% for the current quarter under review.

B7. Corporate Proposals

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

B8. Borrowing

	As at 3rd quarter ended 31.12.2018					
	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	-	273	-	1,738	-	2,011
Bank loan (Synthetic Foreign currency and unsecured) - USD *	25	-	6,880	-	6,905	-
Bank loan (unsecured)		258,022		51,003	-	309,025
Bank loan (secured)	-	36,840	-	5,415	-	42,255
Revolving credit facilities	-	-	-	15,000	-	15,000
Total borrowings	25	295,135	6,880	73,156	6,905	368,291

	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

* USD denomination at average exchange rate of USD$1:RM4.14
** USD denomination at average exchange rate of of USD$1:RM4.28

The increase in unsecured bank loan was a result of:

i) RM140,000,000 for acquisition of Pulah Indah land and building and 100% equity interest in GCIL, formerly known as MCCL.

B9. Litigation

There was no material litigation pending since 31 March 2018 to the date of this report.

B10. Dividend Proposed

No interim dividend was proposed or declared in the current quarter under review.

B11. Earnings Per Share

	3 months ended		Cumulative 9 months ended	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
PAT after non-controlling interest (RM'000)	3,136	8,173	10,922	24,359
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	1.57	4.09	5.46	12.18
	========	=========	========	========

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

B12. Derivative Financial Instruments

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

Derivatives	Contract or Notional amount as at 31.12.2018 RM'000	Contract or Notional amount as at 31.12.2017 RM'000	Fair value net gains or (loses) 31.12.2018 RM'000	Fair value net gains or (loses) 31.12.2017 RM'000	Purpose
1. Cross currency swap Contracts:					
- More than 3 years	6,905	213,376	1,451	2,496	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. Comparatives

The following comparative figures have been reclassified to conform with current year's presentation as of 31 December 2018:

	Year-to-date ended 31.12.2017		
	As previously stated RM'000	**Reclassify RM'000**	**As restated RM'000**
Statement of Comprehensive Income			
Cost of sales	410,164	46,415	456,579
General and administrative expenses	93,777	(46,415)	47,362
	=========	========	========

	Quarter ended 31.12.2017		
	As previously stated RM'000	**Reclassify RM'000**	**As restated RM'000**
Statement of Comprehensive Income			
Cost of sales	145,103	15,676	160,779
General and administrative expenses	33,202	(15,676)	17,526
	=========	========	========

B14. Profit for the period

	3 months ended		Cumulative 9 months ended	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period is arrived at after crediting:				
Interest income	340	359	1,057	977
Other income	(69)	479	1,652	1,300
Gain on disposal of land and building	-	-	508	-
Gain on disposal of property, plant and equipment	252	-	252	-
Foreign exchange gain	158	-	158	-
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	4,685	3,173	13,996	6,560
Depreciation	5,520	5,392	20,355	16,455
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	-	-	-	-

Except for negative goodwill of RM553,396, arising from 100% equity acquisition in GCIL, formerly known as MCCL, which was included in other income, 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 December 2018 (31 December 2017: Nil).