

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 June 2019



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30-June-2019**

	Quarter and Year-to-Date Ended	
	30.06.2019	30.06.2018
	RM'000 Unaudited	RM'000 Unaudited
Revenue	180,402	181,635
Cost of sales	(155,012)	(154,626)
Gross profit	25,390	27,009
Other operating income	1,966	1,524
General and administrative expenses	(20,475)	(18,274)
Profit from operations	6,881	10,259
Share of profits of associated companies	(109)	(64)
Finance costs	(4,851)	(3,427)
Profit before taxation	1,921	6,768
Tax expense	(531)	(1,600)
Profit for the period	1,390	5,168
Profit Attributable to:		
Owners of the Company	1,282	5,071
Non-Controlling Interest	108	97
	1,390	5,168
Earnings per share (sen) - basic	0.64	2.54

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30-June-2019**

Profit for the period

Other Comprehensive Income:

Exchange differences on translation foreign operation

Fair Value adjustment on cash flow hedge

Other comprehensive income/(Loss) for the period, net of tax

Total Comprehensive Income

Total Comprehensive Income attributable to:

Owners of the Company

Non-Controlling Interest

Cumulative Ended	
30.06.2019	30.06.2018
RM'000 Unaudited	RM'000 Unaudited
1,390	5,168
=====	=====
(148)	(41)
7	46
-----	-----
(141)	5
-----	-----
1,249	5,173
=====	=====
1,141	5,076
108	97
-----	-----
1,249	5,173
=====	=====

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2019

	As at 30.06.2019 RM'000 Unaudited	As at 31.03.2019 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	518,558	525,519
Right-of-use assets	15,049	-
Goodwill	81,864	81,864
Investment in associated company	3,156	3,215
Investment in a joint venture	3,894	3,944
Other investments	1,008	1,008
Total non-current assets	623,529	615,550
Current assets		
Trade receivables	124,951	112,335
Other receivables, deposits and prepayments	23,367	21,531
Derivative financial assets	327	835
Amount owing by immediate holding company	3,244	3,650
Amounts owing by related companies	8,510	7,444
Amounts owing by associated company	30	15
Amount owing by a joint venture company	3,394	3,257
Current tax assets	12,361	12,255
Short term investments	5,203	5,155
Fixed deposits with licensed banks	63,880	16,535
Cash and bank balances	113,871	60,644
Total current assets	359,138	243,656
TOTAL ASSETS	982,667	859,206

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2019

	As at 30.06.2019 RM'000 Unaudited	As at 31.03.2019 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	(4)	(11)
Exchange translation reserve	(190)	(42)
Fair value reserve	(64)	(64)
Retained profits	326,579	269,173
Equity attributable to owners of the Company	428,522	371,257
Non-controlling interest	65,620	1,637
Total equity	494,142	372,894
Non-current liabilities		
Hire purchase and finance lease liabilities	135	205
Lease liabilities under MFRS 16	10,533	-
Long term bank loan	279,194	289,596
Deferred tax liabilities	26,485	26,352
Total non-current liabilities	316,348	316,153
Current liabilities		
Trade payables	54,310	48,535
Other payables, deposits and accruals	23,128	32,649
Amount owing to immediate holding company	2,431	1,574
Amounts owing to related companies	4,122	5,286
Hire purchase and finance lease liabilities	792	1,128
Lease liabilities under MFRS 16	4,592	-
Bank term loan	62,196	60,187
Revolving credit	20,000	20,000
Current tax liabilities	607	800
Total current liabilities	172,178	170,159
Total liabilities	488,525	486,312
TOTAL EQUITY AND LIABILITIES	982,667	859,206
Net Assets per share (RM)	2.14	1.86

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-June-2019

	----- A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y -----								
	----- Non-distributable -----					----- Distributable -----			Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	
Balance at 31 March 2018	100,801	1,400	(124)	(162)	-	260,476	362,391	1,318	363,709
Cumulative effects of adoption of MFRSs	-	-	-	-	(65)	634	569	-	569
Balance at 1 April 2018 (restated)	100,801	1,400	(124)	(162)	(65)	261,110	362,960	1,318	364,278
Total comprehensive income for the period	-	-	46	(41)	-	5,071	5,076	97	5,173
Dividend paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 30 Jun 2018	100,801	1,400	(78)		(65)	261,181	363,036	1,415	364,451
Balance at 1 April 2019	100,801	1,400	(11)	(42)	(64)	269,173	371,257	1,637	372,894
Total comprehensive income for the period	-	-	7	(148)	-	1,282	1,141	108	1,249
Accretion of interest in existing subsidiaries	-	-	-	-	-	61,125	61,125	63,875	125,000
Dividend paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 30 Jun 2019	100,801	1,400	(4)	(190)	(64)	326,579	428,522	65,620	494,142

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-June-2019

	Year-To-Date Ended	
	30.06.2019 RM'000 Unaudited	30.06.2018 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,921	6,768
Adjustments for:		
Allowance for doubtful debts	283	-
Depreciation	8,093	6,678
Depreciation of right-of-use assets	1,891	-
Negative goodwill	-	(782)
Gain on disposal of property, plant and equipment	(108)	-
Property, plant and equipment written off	5	-
Share of profits of associated company, net of tax	109	64
Interest income	(629)	(233)
Interest expense	4,734	3,427
Lease interest under MFRS 16	117	-
Unrealised loss on foreign exchange	376	-
Operating profit before working capital changes	16,792	15,922
Net Changes in current assets	(20,277)	21,265
Net Changes in current liabilities	1,446	1,708
Cash generated (used in) / from operations	(2,039)	38,895
Tax paid	(2,062)	(2,155)
Net Cash (used in) / generated from operating activities	(4,101)	36,740
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(889)	(119,366)
Proceeds from disposal of property, plant and equipment	108	-
Acquisition of subsidiary company	-	(9,925)
Proceeds from disposal of subsidiary company shareholding	125,000	-
Interest received	629	233
Net cash generated from / (used in) investing activities	124,848	(129,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	126,000
Repayment of term loan	(9,922)	(4,214)
Payment of hire purchase and finance lease liabilities	(405)	(378)
Interest paid	(4,851)	(3,427)
Dividend paid	(5,000)	-
Net cash (used in) / generated from financing activities	(20,178)	117,981
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,569	25,663
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	77,179	80,418
EFFECT OF EXCHANGE RATE CHANGES	3	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	177,751	106,081
Represented by:		
Fixed deposits with a licensed bank	63,880	46,454
Cash and bank balances	113,871	59,627
	177,751	106,081

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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, recoverable value, realisable value and 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 2019. 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 2019.

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 2019.

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.

The Group has adopted MFRS 16 Leases with effective from 1 April 2019 as mentioned below:

MFRS 16 Leases

MFRS 16 replaces 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.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has adopted the new standard on the required effective date using the modified retrospective approach and recognise a right-of-use asset and a corresponding lease liability at 1 April 2019 with no restatement to comparative information for prior period from the date of initial application.

In summary, the impact of adopting MFRS16 Leases as at 1 April 2019 is as follows:

Group	31 March 2019 RM'000	Changes RM'000	1 April 2019 RM'000
Non-current assets			
Right-of-use assets	-	16,941	16,941
Non-current liabilities			
Lease liabilities	-	11,919	11,919
Current liabilities			
Lease liabilities	-	5,022	5,022
Total lease liabilities	-	16,941	16,941

Notes to the Interim Financial Report

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)****(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
Amendments to various MFRS Standards	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendment to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
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

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.

A3. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2019 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 other than the accretion of interest arising from the new issuance and allotment of 58,878,000 new ordinary shares (representing 30 per cent of the enlarged equity interest) in Tasco Yusen Gold Cold Sdn Bhd ("TYGC"), a wholly-owned subsidiary of Tasco Berhad ("TASCO"), to Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development ("JOIN") for a cash subscription price of RM125.0 million on 11 June 2019.

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

Except for below item, there were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter under review:

On 11 June 2019, TASCO YUSEN GOLD COLD SDN BHD ("TYGC"), a wholly owned subsidiary of TASCO Berhad ("TASCO"), issued and allotted 194,260,000 new ordinary shares to TASCO and JOIN upon completion of the new issuance of shares, the changes in issued share capital, and shareholding of TYGC are as follows:

	No. of TYGC ordinary shares (in '000)	Share Capital (RM'000)
As at 10 June 2019	2,000	2,000
New issuances and allotment of 194,260,000 ordinary shares on 11 June 2019:		
TASCO	135,382	69,260 *
JOIN	58,878	125,000 **
	196,260	196,260

* Capitalised out of the total shareholders advance of RM194.26 million

** Cash consideration

Notes to the Interim Financial Report

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A7. Issuances, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities (continue)**

Shareholdings of TYGC share capital as at 11 June 2019:

Shareholders	No. of TYGC ordinary shares (in '000)	Shareholding (%)
TASCO	13,738	70%
JOIN	58,878	30%
	72,616	100%

A8. Dividends paid

During the period, the Company paid a dividend of 2.50 sen per ordinary share amounting to RM5,000,000 on 30 May 2019 in respect of financial year ended 31 March 2019.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	3 months ended		3 months ended	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
International Business Solutions				
Air Freight Forwarding Division	36,044	43,028	1,162	2,342
Ocean Freight Forwarding Division	24,825	17,147	555	(675)
	60,869	60,175	1,717	1,668
Domestic Business Solutions				
Contract Logistics Division	72,303	79,828	5,374	5,086
Cold Supply Chain Division	28,680	21,153	1,315	3,099
Trucking Division	18,550	20,479	(1,556)	734
	119,533	121,460	5,133	8,919
Others	-	-	(4,929)	(3,818)
Total	180,402	181,635	1,921	6,768

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

Except for below item, there were no changes in the composition of the Group in the current quarter under review.

On 11 June 2019 and upon the completion of new issuance and allotment of 58,878,000 new ordinary shares (representing 30 per cent of the enlarged equity interest) in Tasco Yusen Gold Cold Sdn Bhd ("TYGC"), a wholly-owned subsidiary of TASCO, to Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development ("JOIN"). TASCO's equity interest in TYGC has been diluted from 100% to 70%.

Notes to the Interim Financial Report

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting**A13. Contingent Assets and Liabilities**

Except for below items, there were no material contingent assets and liabilities since 30 June 2019 to the date of this report:

- a) Debts contracted by the Company's joint venture company, YLTC Sdn Bhd ("YLTC") with its vendors in respect of such goods and services supplied up to RM4,900,000 for principal debts only. The validity of the guarantees shall expire as follows:

Guaranteed Sum (RM'000)	Expiry
1,500	31 July 2020
3,400	at times when cessation of supplying goods and services to and indebtedness by YLTC

- b) Corporate guarantee up to maximum of RM6,800,000 only in respect of trade facilities contracted by YLTC with its bank.

A14. Capital Commitment

	As at 30.06.2019 RM'000	As at 30.06.2018 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	4,270	5,690
- acquisition of leasehold land	25,370	-
	29,640	5,690

A15. Related Party Disclosures

	3 month ended	
	30.06.2019 RM'000	30.06.2018 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	105	111
Labour charges paid and payable to subsidiary companies	10,547	11,186
Maintenance charges paid and payable to a subsidiary company	-	48
Handling fees paid and payable to a subsidiary company	1,807	-
Handling fees received and receivable from a subsidiary company	3,667	-
Related logistic services paid and payable to a subsidiary company	53	-
Related logistic services received and receivable from a subsidiary company	896	907
Rental of premises paid and payable to a subsidiary company	944	1,133
Rental of trucks received and receivable from subsidiary company	477	780
Transaction with immediate holding company		
Related logistic services received and receivable	9,736	10,648
Related logistic services paid and payable	6,819	3,735
Management services fee paid and payable	2,701	-
Transaction with related companies		
Related logistic services received and receivable	17,032	16,609
Related logistic services paid and payable	14,938	17,004
Management services fee paid and payable	-	763
IT fees paid and payable	475	254
Transaction with associated company		
Accounting fee received from an associated company	5	-
Transaction with joint venture company		
Related logistic services received and receivable	838	1

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

B1. Performance Review : Year-to-date April 2019-June 2019 vs Year-to-date April 2018-June 2018

	3 months ended			
	30.06.2019	30.06.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	180,402	181,635	(1,233)	-0.68%
Profit from operations	6,881	10,259	(3,378)	-32.93%
Profit before Interest and tax	6,772	10,195	(3,423)	-33.58%
Profit before taxation	1,921	6,768	(4,847)	-71.62%
Profit after taxation	1,390	5,168	(3,778)	-73.10%
Profit Attributable to Ordinary Equity Holders of the Parent	1,282	5,071	(3,789)	-74.72%

The Group posted revenue of RM180.4 million for the financial period ended ("FYE") 30 June 2019 as against RM181.6 million, a decrease of RM1.2 million (0.7 per cent) year-on-year ("y-o-y"). Revenue of revenue from International Business Solutions ("IBS") showed an increase of RM0.7 million (1.2 per cent) from RM60.2 million to RM60.9 million, whereas Domestic Business Solutions ("DBS") segment recorded a decrease of 1.6 per cent (RM1.9 million), from RM121.5 million to RM119.5 million y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted a decrease of RM7.0 million (16.2 per cent). Export shipments contribution from solar panel, aerospace and healthcare customers uplifted revenue of Ocean Freight Forwarding ("OFF") business to rise from 17.1 million to RM24.8 million, an increase of RM7.7 million (44.8 per cent) y-o-y. Drop in export shipments and business of capacitor and chemical customers largely impacted revenue of Air Freight Forwarding ("AFF") business dropped from RM43.0 million to RM36.0 million, decreased by RM7.0 million (16.2 per cent).

Within DBS segment, Revenue of DBS was mainly strengthened from Cold Supply Chain ("CSC") division. CSC contributed an increase of RM7.5 million (35.6 per cent) y-o-y, from RM21.1 million to RM28.7 million to DBS segment. Contract Logistics ("CL") division showed a decrease in revenue of RM7.5 million (9.4 per cent), from RM79.8 million to RM72.3 million. Within CL business, haulage business was the largest revenue contributor, with an increase in revenue of RM4.9 million (48.7 per cent), from RM10.0 million to RM14.9 million, on the back of revenue contribution from the container deliveries especially for E&E and musical instrument customers and new customers from Custom Clearance customers of which the haulage revenue was reclassified from Custom Clearance business. This partly resulted in Custom Clearance business to record a lower revenue y-o-y. In addition, reduced shipments handled for a solar panel customer, project cargo business coupled with cessation of business with energy manufacturer caused revenue of Custom Clearance business to decrease by RM10.8 million (33.5 per cent). Reduced volume of E&E and semiconductor customers negatively affected revenue of Warehouse business from RM31.1 million to RM20.5 million, a reduction of RM1.6 million (5.0 per cent). Revenue of In-Plant business rose slightly by RM0.03 million (0.05 per cent). As for Trucking division, drop in deliveries for E&E, cigarettes & tobacco as well as automotive parts customers resulted in Trucking division to record revenue drop by RM1.9 million (9.4 per cent), from RM20.5 million to RM18.6 million.

Profit from operations for the year-to-date ended 30 June 2019 decreased by RM3.4 million (32.9 per cent) from RM10.2 million to RM6.9 million. Profit before taxation ("PBT") for the year-to-date ended 30 June 2019 decreased from RM6.8 million to RM1.9 million, a drop of RM4.8 million (71.6 per cent), and profit after tax ("PAT") for the year-to-date ended 30 June 2019 declined from RM5.2 million to RM1.4 million (73.1 per cent) y-o-y.

PBT of IBS segment increased from RM1.67 million to RM1.72 million, rose by 3.0 per cent (RM0.05 million) y-o-y at back of marginal increase in revenue of IBS segment. Within IBS, OFF business posted an increase in PBT of RM1.2 million (182.2 per cent) from loss RM0.7 million to profit of RM0.6 million. It was underpinned by revenue hike in OFF business. However, it was largely offset by PBT reduction from AFF business at back of drop in revenue. PBT generated from AFF division was down from RM2.3 million to RM1.2 million, a decrease of RM1.2 million (50.4 per cent). As for DBS segment, it posted a decrease in PBT of RM3.8 million (42.4 per cent), from RM8.9 million to RM5.1 million y-o-y. Within DBS segment, CL division recorded an increase in PBT by RM0.3 million (5.7 per cent), from RM5.1 million to RM5.4 million. Within CL division, PBT of Warehouse, In-Plant and Haulage businesses rose by RM1.4 million, RM0.7 million and RM0.6 million respectively whereas PBT of custom clearance business reduced by RM2.4 million. However, increase in PBT of CL division was largely offset by reduction in PBT from CSC and Trucking divisions. The CSC and Trucking divisions showed a decrease in PBT of RM1.8 million (57.6 per cent) and RM2.3 million (312.1 per cent) respectively. Increased fixed operating expenses burdened PBT of Trucking division.

Lower profit was mainly due to lower gross margins as a result of more competitive environment especially in Trucking and AFF sectors. Lower profit in CSC was due to the internal reorganization whereby loss-making convenience retail business was transferred to CSC from warehousing business. Apart from the operating business segments, PBT was further bogged down due to additional costs from Support segment. This resulted from increase in finance costs of RM1.4 million (41.6 per cent) for the funding for acquisition of CSC business as well as our Westport Logistics Centre.

B2. Comparison with Preceding Quarter's Results: April 2019 to June 2019 vs January 2019 to March 2019

	3 months ended			
	30.06.2019	31.03.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	180,402	179,374	1,028	0.6%
Profit from operations	6,881	8,393	(1,512)	-18.0%
Profit before Interest and tax	6,772	8,305	(1,533)	-18.5%
Profit before taxation	1,921	3,872	(1,951)	-50.4%
Profit after taxation	1,390	2,218	(828)	-37.3%
Profit Attributable to Ordinary Equity Holders of the Parent	1,282	2,141	(859)	-40.1%

The Group's revenue of the first quarter ended 30 June 2019 ("Q1FY2020") was registered at RM180.4 million, as against revenue of RM179.4 million of the preceding quarter ended 31 March 2019. This represents an increase of RM1.0 million (0.6 per cent). IBS segment posted a decrease of RM2.0 million (3.2 per cent) while DBS segment recorded increase sales by RM3.0 million (2.6 per cent) as against preceding quarter.

Within the IBS segment, AFF division posted a significant decrease in revenue from RM44.1 million to RM36.0 million, a decrease of RM8.1 million (18.3 per cent) against last preceding quarter. The drop in AFF revenue was mainly attributable to drop in shipments of E&E, capacitor, office equipment as well as aerospace customers. On the other hand, increase in shipments contribution from solar panel manufacturer, aerospace, healthcare and paper manufacturers resulting OFF business to post higher sales from RM18.7 million to RM24.8 million, an increase of RM6.1 million (32.4 per cent) against preceding quarter.

Within the DBS segment, CL and CSC divisions contributed an increase in revenue of RM2.8 million (4.1 per cent) and RM1.8 million (6.8 per cent). However, it was partly offset by revenue reduction in Trucking division by RM1.7 million (8.3 per cent). Within CL division, except for custom clearance business reported a decrease of revenue by RM1.6 million (7.1 per cent), revenue of Haulage, Warehouse and In-Plant businesses was rose by RM3.9 million (35.5 per cent), RM0.2 million (0.7 per cent) and RM0.4 million (6.6 per cent) respectively against last preceding quarter. Drop in revenue of Custom Clearance business was mainly arisen from shipments reduction of solar panel, security and musical instruments customers. Increase in revenue of haulage business was contributed by E&E and logistics customers as well as customers from Custom Clearance customers of which the Haulage revenue was captured in Custom Clearance business effective from April 2019. Decrease in distribution deliveries of consumer retail cargo and telecommunication customers caused revenue of Trucking division drop by RM1.7 million (8.3 per cent) against preceding quarter.

PBT for Q1FY2020 decrease from RM3.9 million to RM1.9 million as against preceding quarter, a decrease of RM2.0 million (50.4 per cent). IBS segment recorded an increase of RM0.8 million (82.4 per cent) from RM0.9 million to RM1.7 million. DBS segment recorded a decrease of RM1.4 million (21.5 per cent) from RM6.5 million to RM5.1 million.

Within IBS segment, AFF experienced a decrease in PBT of RM2.0 million (62.8 per cent) against preceding quarter on the back of its lower sales revenue recorded. However, it was partly offset by increase PBT of OFF business by RM2.7 million (125.4 per cent) from loss RM2.2 million to profit of RM0.6 million on the back of increased revenue and volume.

Within the DBS segment, CL division recorded an increase in PBT by RM1.8 million (48.9 per cent) while PBT of CSC division decreased by RM2.5 million (65.9 per cent), and PBT of Trucking division was down by RM0.8 million (110.8 per cent) against last preceding quarter. Within CL division, with increase in revenue, PBT of Haulage, Warehouse and In-Plant businesses rose by RM0.2 million (17.4 per cent), RM2.3 million (414.8 per cent) and RM0.1 million (11.7 per cent) respectively. However, the PBT improvement result in Haulage, Warehouse and In-Plant businesses were largely offset by PBT decrease in Custom Clearance businesses by RM0.9 million (53.2 per cent) as compared with last preceding quarter.

B3. Prospects for the Remaining Period to the End of the Financial Year

In the latest World Economic Outlook report ("WEO") released on 28 July 2019, the International Monetary Fund ("IMF") stated that, against a backdrop of US-China trade tension threatening global technology supply chain, uncertainty due to Brexit, and rising geopolitical tensions roiled energy prices, global growth remains subdued. Global growth is forecast at 3.2 percent in 2019, to pick up to 3.5 percent in 2020 (0.1 percentage point lower than in the April 2019 WEO projections for both years). Risks to the forecast are mainly to the downside. They include further trade and technology tensions that dent sentiment and slow investment; a protracted increase in risk aversion that exposes the financial vulnerabilities accumulated after years of low interest rates; and mounting disinflationary pressures that increase debt service difficulties, constrain monetary policy space to counter downturns, and make adverse shocks more persistent than normal.
(Source: WEO dated 28 July 2019)

In Malaysia, Bank Negara Malaysia ("BNM") had on 16 August 2019 announced that the Malaysian economy grew by 4.9 percent in the second quarter of 2019 (1Q2019: 4.5 percent), supported by stronger private sector expenditure and recovery in commodity output. Growth in the manufacturing sector improved marginally while the service sector continued to expand amid sustained growth in the wholesale and retail sectors. On a q-o-q seasonally-adjusted basis, the economy grew by 1.0 percent. Moving forward, BNM expected the economy to remain supported by private sector activity. The external sector is likely to continue to be affected by slower global growth amid ongoing trade tensions. Overall, the baseline projection is for the Malaysian economy to grow between 4.3% to 4.8% for the year.
(Source: BNM press statement and Statistics Dept. release dated 16 August 2019)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as the functions of the logistics industry is closely aligned with the economic activity and international trade. Despite the uncertain economic situation caused mainly by the US-China trade tension, we have managed to maintain our top line in the immediate preceding FY just ended, as well as the current quarter under review. Nevertheless, our bottom line continues to be impacted negatively due to the more competitive market environment resulting in reducing margin, and the continued (albeit reducing) loss in our convenience retail sector. Going forward into the new FY, downside risks for the Group continue to include rising operational costs, substantial interest costs and more competitive market environment in our traditional core businesses, as well as the uncertain global economy due to the US-China trade war. 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.

B4. Profit Forecast

Not applicable as there is no forecast / profit guarantee.

B5. Tax Expense

	Quarter and Year-to-Date Ended	
	30.06.2019 RM'000	30.06.2018 RM'000
Income tax		
- Current tax	(226)	(2,797)
- overprovision in prior years	-	-
Deferred tax		
- Current year	(305)	1,197
- underprovision in prior years	-	-
	(531)	(1,600)

The Group's effective tax rate of 27.6% for the cumulative 3 months ended 30 June 2019 was above the statutory rate is mainly due to non-deductible expenses.

B6. Corporate Proposals

On 10 May 2019, the Board of Directors announced that Gold Cold Solutions Sdn Bhd ("GCS") and Titian Pelangi Sdn Bhd ("TPSB"), both being subsidiaries of TASCO Bhd, had entered into a sale and purchase agreement ("SPA") with Hai San Holdings Sdn Bhd (in liquidation) ("HSH") and Hai San & Sons Sdn Bhd (in liquidation) ("HSS") for the proposed acquisition of seven (7) parcels of leasehold industrial lands and buildings located in Port Klang, Selangor for a total cash consideration of RM25,827,000 ("Proposed Acquisition").

The above proposals was pending completion as at the date of this report.

B7. Borrowing

	As at 1st quarter ended 30.06.2019					
	Long term		Short term		Total borrowing	
	Denomination in		Denomination in		Denomination in	
	Foreign (RM'000)	Ringgit (RM'000)	Foreign (RM'000)	Ringgit (RM'000)	Foreign (RM'000)	Ringgit (RM'000)
Hire purchase and finance lease liabilities	-	135	-	792	-	928
Lease liabilities under MFRS 16	-	10,533	-	4,592	-	15,125
Bank loan (Synthetic Foreign currency and unsecured) - USD *	-	-	1,775	-	1,775	-
Bank loan (unsecured)	-	249,458	-	49,590	-	299,048
Bank loan (secured)	-	29,736	-	10,831	-	40,567
Revolving credit facilities	-	-	-	20,000	-	20,000
Total borrowings	-	289,863	1,775	85,805	1,775	375,667

	As at 1st quarter ended 30.06.2018					
	Long term		Short term		Total borrowing	
	Denomination in		Denomination in		Denomination in	
	Foreign (RM'000)	Ringgit (RM'000)	Foreign (RM'000)	Ringgit (RM'000)	Foreign (RM'000)	Ringgit (RM'000)
Hire purchase and finance lease liabilities	-	554	-	1,893	-	2,447
Bank loan (Synthetic Foreign currency and unsecured) - USD **	2,079	-	10,152	-	12,231	-
Bank loan (unsecured)	-	267,767	-	50,939	-	318,706
Bank loan (secured)	-	40,598	-	3,284	-	43,882
Revolving credit facilities	-	-	-	30,000	-	30,000
Total borrowings	2,079	308,919	10,152	86,116	12,231	395,035

* USD denomination at average exchange rate of USD\$1:RM4.13

** USD denomination at average exchange rate of of USD\$1:RM4.04

The increase in lease liabilities was a result of adoption of Malaysian Financial Reporting standard 16 ("MFRS 16")

B8. Litigation

There was no material litigation pending since 30 June 2019 to the date of this report.

B9. Dividend Proposed

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

B10. Earnings Per Share

	Quarter and Year-to-Date Ended	
	30.06.2019	30.06.2018
PAT after non-controlling interest (RM'000)	1,282	5,071
Weighted average number of ordinary shares in issue ('000)	200,000	200,000
Earnings per share (sen)	0.64	2.54

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2019. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

As at 30 June 2019, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at		Fair value net gains or (loses)		Purpose
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	
	RM'000	RM'000	RM'000	RM'000	
1. Cross currency swap Contracts: - More than 3 years	1,775	12,231	327	2,260	For hedging currency risk in bank term loan

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.

B12. Profit for the period

	Quarter and Year-to-Date Ended	
	30.06.2019 RM'000	30.06.2018 RM'000
Profit for the period is arrived at after crediting:		
Interest income	629	233
Other income	875	1,291
Gain on disposal of property, plant and equipment	108	-
Realised foreign exchange gain	354	-
Unrealised foreign exchange gain	-	-
and after charging:		
Interest expenses	4,734	3,427
Lease interest under MFRS 16	117	-
Property, plant and equipment written off	5	-
Depreciation	8,093	6,678
Depreciation of right-of-use assets	1,891	-
Provision for/write off receivables	283	-
Provision for/write off inventories	-	-
Realised foreign exchange loss	-	87
Unrealised foreign exchange loss	376	-
Impairment loss of other investment	-	-

There were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 30 June 2019 (30 June 2018: Nil).