TASCO Berhad
(Company No: 20218-T)

TASCO
NYK GROUP COMPANY

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

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	3 months ended		Cumulative 6 months Ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Revenue	190,663	191,098	371,065	372,733
Cost of sales	(164,297)	(166,748)	(320,571)	(321,374)
Gross profit	**26,366**	**24,350**	**50,494**	**51,359**
Other income	1,786	1,422	3,752	2,946
Administrative and general expenses	(17,702)	(16,147)	(36,915)	(34,421)
Profit from operations	**10,450**	**9,625**	**17,331**	**19,884**
Share of results of associated company and joint venture	(146)	(94)	(255)	(158)
Finance costs	(4,561)	(5,884)	(9,412)	(9,311)
Profit before tax	**5,743**	**3,647**	**7,664**	**10,415**
Tax expense	(1,478)	(858)	(2,009)	(2,458)
Profit for the period	**4,265**	**2,789**	**5,655**	**7,957**
Profit Attributable to:				
Owners of the Company	4,105	2,714	5,387	7,785
Non-Controlling Interests	160	75	268	172
	4,265	**2,789**	**5,655**	**7,957**
Basic earnings per share attributable to owners of the Company (sen per share)	2.05	1.36	2.69	3.89

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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	3 months ended		Cumulative 6 months Ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Profit for the period	**4,265**	**2,789**	**5,655**	**7,957**
Other Comprehensive Income:				
Exchange differences on translation of foreign operation	93	(211)	(55)	(252)
Fair Value adjustment on cash flow hedge	1	27	8	73
Other comprehensive income/(Loss) for the period, net of tax	94	(184)	(47)	(179)
Total Comprehensive Income for the period	**4,359**	**2,605**	**5,608**	**7,778**
Total Comprehensive Income attributable to:				
Owners of the Company	4,199	2,530	5,340	7,606
Non-Controlling Interests	160	75	268	172
	4,359	**2,605**	**5,608**	**7,778**

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.

T ASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	As at 30.09.2019 RM'000 Unaudited	As at 31.03.2019 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	513,303	525,519
Right-of-use assets	13,241	-
Goodwill	81,864	81,864
Investment in associated company	3,060	3,215
Investment in a joint venture	1,844	3,944
Other assets	1,008	1,008
Total non-current assets	**614,320**	**615,550**
Current assets		
Trade receivables	121,194	112,335
Other receivables, deposits and prepayments	17,531	21,531
Derivative financial assets	179	835
Amount owing by immediate holding company	3,829	3,650
Amounts owing by related companies	6,560	7,444
Amounts owing by associated company	50	15
Amount owing by a joint venture	2,167	3,257
Current tax assets	12,864	12,255
Short term investments	5,247	5,155
Fixed deposits with licensed banks	46,971	16,535
Cash and bank balances	132,883	60,644
Total current assets	**349,475**	**243,656**
TOTAL ASSETS	**963,795**	**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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	As at 30.09.2019 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	(3)	(11)
Exchange translation reserve	(97)	(42)
Fair value reserve	(64)	(64)
Retained earnings	330,685	269,173
Equity attributable to owners of the Company	432,722	371,257
Non-controlling interests	65,780	1,637
Total equity	**498,502**	**372,894**
Non-current liabilities		
Hire purchase and finance lease liabilities	75	205
Lease liabilities under MFRS 16	10,279	-
Bank term loans	311,075	289,596
Amount owing to corporate shareholder of a subsidiary	5,131	-
Deferred tax liabilities	25,702	26,352
Total non-current liabilities	**352,262**	**316,153**
Current liabilities		
Trade payables	51,217	48,535
Other payables, deposits and accruals	28,330	32,649
Amount owing to immediate holding company	1,634	1,574
Amounts owing to related companies	3,823	5,286
Amount owing to corporate shareholder of a subsidiary	372	-
Hire purchase and finance lease liabilities	465	1,128
Lease liabilities under MFRS 16	3,087	-
Bank term loans	23,992	60,187
Revolving credit	-	20,000
Current tax liabilities	111	800
Total current liabilities	**113,031**	**170,159**
Total liabilities	**465,293**	**486,312**
TOTAL EQUITY AND LIABILITIES	**963,795**	**859,206**
Net Assets per share (RM)	**2.16**	**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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	A tt ri b u ta b le to Owners of the Company								
	Non-distributable					Distributable			
	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	Total equity 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					(64)	634	570	-	570
Balance at 1 April 2018 (restated)	100,801	1,400	(124)	(162)	(64)	261,110	362,961	1,318	364,279
Total comprehensive income for the period	-	-	73	(252)	-	7,785	7,606	172	7,778
Dividends paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 30 Sep 2018	**100,801**	**1,400**	**(51)**	**(414)**	**(64)**	**263,895**	**365,567**	**1,490**	**367,057**
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	-	-	8	(55)	-	5,387	5,340	268	5,608
Accretion of interest in existing subsidiaries	-	-		-	-	61,125	61,125	63,875	125,000
Dividends paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 30 Sep 2019	**100,801**	**1,400**	**(3)**	**(97)**	**(64)**	**330,685**	**432,722**	**65,780**	**498,502**

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.

TASCO Berhad
Company No:20218-T
Incorporated In Malaysia

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

	Year-To-Date Ended	
	30.09.2019 RM'000 Unaudited	30.09.2018 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,664	10,415
Adjustments for:		
Allowance for doubtful debts	99	-
Depreciation of property, plant and equipment	16,198	14,835
Depreciation of right-of-use assets	3,783	-
Negative goodwill	-	(782)
Gain on disposal of property, plant and equipment	(18)	(760)
Property, plant and equipment written off	5	-
Share of results of associated company and joint venture	255	158
Interest income	(1,598)	(717)
Interest expense	9,412	9,311
Lease interest under MFRS 16	223	-
Unrealised (gain) / loss on foreign exchange	230	-
Operating profit before working capital changes	**36,253**	**32,460**
Changes in receivables	(5,218)	33,038
Changes in payables	(528)	(2,529)
Cash generated from operations	30,507	62,969
Net Tax paid	(4,003)	(4,495)
Net Cash generated from operating activities	**26,504**	**58,474**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,602)	(136,841)
Proceeds from disposal of property, plant and equipment	2,169	680
Acquisition of subsidiary company	-	(9,925)
Proceeds from disposal of subsidiary company shareholding	125,000	-
Placement in short term investments	(5,247)	(5,045)
Interest received	1,598	541
Net cash generated from / (used in) investing activities	**117,918**	**(150,590)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	126,000
Loan from JOIN	5,503	-
Repayment of term loans	(14,052)	(8,267)
Received loan repayment from joint venture	2,000	-
Repayment of revolving credits	(20,000)	(5,000)
Payment of hire purchase and finance lease	(792)	(1,088)
Interest paid	(9,412)	(9,311)
Dividends paid	(5,000)	(5,000)
Net cash (used in) / generated from financing activities	**(41,753)**	**97,334**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**102,669**	**5,218**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	77,179	80,418
EFFECT OF EXCHANGE RATE CHANGES	6	5
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**179,854**	**85,641**
Represented by:		
Fixed deposits with licensed banks	46,971	45,962
Cash and bank balances	132,883	39,679
	179,854	**85,641**

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 MRFS 9 and MFRS 7	Interest rate benchmark reform	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.

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

No dividend was paid in the current quarter under review.

TASCO Berhad

Company No:20218-T
Incorporated In Malaysia

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

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	6 months Ended		6 months Ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
International Business Solutions				
Air Freight Forwarding Division	73,477	84,961	2,637	4,156
Ocean Freight Forwarding Division	47,572	34,853	655	(922)
	121,049	**119,814**	**3,292**	**3,234**
Domestic Business Solutions				
Contract Logistics Division	153,700	164,720	13,038	8,665
Cold Supply Chain Division	57,279	46,334	1,801	5,754
Trucking Division	39,037	41,865	(2,734)	738
	250,016	**252,919**	**12,105**	**15,157**
Others	-	-	(7,733)	(7,976)
Total	**371,065**	**372,733**	**7,664**	**10,415**

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

Except for below items, there were no material contingent assets and liabilities since 30 September 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 30.09.2019 RM'000	As at 30.09.2018 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	850	2,142
- acquisition of leasehold land	25,370	-
	26,220	2,142

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

A15. Related Party Disclosures

	6 months ended 30.09.2019 RM'000	6 months ended 30.09.2018 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	202	220
Labour charges paid and payble to subsidiary companies	18,096	20,705
Labour charges received and receivable from a subsidiary company	442	654
Maintenance charges paid and payable to a subsidiary company	-	48
Handling fees paid and payable to a subsidiary company	4,372	-
Handling fees received and receivable from a subsidiary company	3,832	-
Related logistic services paid and payable to a subsidiary company	63	126
Related logistic services received and receivable from a subsidiary company	1,655	993
Rental of premises paid and payable to a subsidiary company	1,889	2,078
Rental of trucks received and receivable from subsidiary company	996	1,963
Transaction with immediate holding company		
Related logistic services received and receivable	20,760	20,607
Related logistic services paid and payable	13,888	8,248
Management services fee paid and payable	5,400	-
Transaction with related companies		
Related logistic services received and receivable	31,191	31,444
Related logistic services paid and payable	29,406	32,746
Management fee paid and payable	-	4,424
IT fees paid and payable	956	798
Transaction with associated company		
Accounting fee received and receivable from an associated company	10	-
Transaction with joint venture company		
Related logistic services received and receivable	1,738	1

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

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

	6 months ended			
	30.09.2019	30.09.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	371,065	372,733	(1,668)	-0.45%
Profit from operations	17,331	19,884	(2,553)	-12.84%
Profit before Interest and tax	17,076	19,726	(2,650)	-13.43%
Profit before taxation	7,664	10,415	(2,751)	-26.41%
Profit after taxation	5,655	7,957	(2,302)	-28.93%
Profit Attributable to Ordinary Equity Holders of the Parent	5,387	7,785	(2,398)	-30.80%

The Group posted revenue of RM371.1 million for the financial period ended ("FYE") 30 September 2019 as against RM372.7 million, a decrease of RM1.7 million (0.45 percent) year-on-year ("y-o-y"). Revenue generated from International Business Solutions ("IBS") showed an increase of RM1.2 million (1.0 percent) from RM119.8 million to RM121.0 million, whereas Domestics Business Solutions ("DBS") segment recorded a decrease of RM2.9 million (1.1 percent), from RM252.9 million to RM250.0 million y-o-y.

In the IBS segment, export shipments contribution from solar panel, aerospace, healthcare and chemical customers uplifted revenue of Ocean Freight Forwarding ("OFF") business to rise from RM34.8 million RM47.6 million, an increase of RM12.7 million (36.5 percent). However, it was largely offset by the revenue drop in Air Freight Forwarding ("AFF") business by RM11.5 million (13.5 percent), dropped from RM85.0 million to RM73.5 million y-o-y resulting from drop in export shipments and business of capacitor and chemical customers.

Within DBS segment, revenue of DBS was mainly strengthened from Cold Supply Chain ("CSC") division. CSC contributed an increase of RM10.9 million (23.6 percent) y-o-y, from RM46.3 million to RM57.3 million to DBS segment. Contract Logistics ("CL") division showed a decrease in revenue of RM11.0 million (6.7 percent), from RM164.7 million to RM153.7 million. Within CL business, haulage business was the largest revenue contributor, with an increase in revenue of RM9.9 million (45.7 percent), from RM21.7 million to RM31.6 million, on the back of revenue contribution from the container deliveries especially for E&E and musical instrument customers and haulage sales 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 RM15.6 million (24.0 percent). Reduced volume of E&E and semiconductor customers negatively affected revenue of Warehouse business from RM65.2 million to RM60.3 million, a reduction of RM4.9 million (7.4 percent). Revenue of In-Plant business slided slightly by RM0.4 million (3.4 percent) as most of the E&E customers experienced reduction in manufacturing volume. As for Trucking division, drop in deliveries for E&E, tele-communication, cigarettes & tobacco as well as automotive parts customers resulted in Trucking division to record revenue dropped by RM2.8 million (6.8 percent), from RM41.9 million to RM39.0 million.

Profit from operations for the year-to-date ended 30 September 2019 decreased by RM2.6 million (12.8 percent) from RM19.9 million to RM17.3 million. Profit before taxation ("PBT") for the year-to-date ended 30 September 2019 decreased from RM10.4 million to RM7.7 million, a drop of RM2.7 million (26.4 percent), and profit after tax ("PAT") for the year-to-date ended 30 September 2019 declined from RM8.0 million to RM5.7 million (28.9 percent) y-o-y.

PBT of IBS segment increased from RM3.2 million to RM3.3 million, a rise of 1.8 percent (RM0.06 million) y-o-y at back of marginal increase in revenue of IBS segment. Within IBS, OFF business posted an increase in PBT of RM1.6 million (171.0 percent) from loss of RM0.9 million to profit of RM0.7 million. It was underpinned by revenue hike in OFF business resulting from capture back of some loss business as well as new businesses. 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 RM4.2 million to RM2.6 million, a decrease of RM1.5 million (36.6 percent). As for DBS segment, it posted a decrease in PBT of RM3.1 million (20.1 percent), from RM15.2 million to RM12.1 million y-o-y. Within DBS segment, CL division recorded an increase in PBT by RM4.3 million (50.5 percent), from RM8.7 million to RM13.0 million. Within CL division, PBT of Warehouse and Haulage businesses rose by RM6.9 million and RM1.3 million respectively whereas PBT of Custom Clearance and In-plant business reduced by RM3.4 million and 0.5 million respectively. However, increase in PBT of CL division was bogged down by reduction in PBT from CSC and Trucking divisions. The CSC and Trucking divisions showed a decrease in PBT of RM4.0 million (68.7 percent) and RM3.5 million (470.3 percent) 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, Support segment showed a reduction of net non-operating expenses from RM8.0 million to RM7.7 million (3.1 percent) y-o-y. Additional finance cost RM0.2 million was recorded y-o-y for the funding for acquisition of CSC business and Westport Logistics Centre. But it was further offset by the reduction in other general administrative expenses as a result from cost control measures.

B2. Comparison with Previous Year Corresponding Quarter's Results : July 2019 to September 2019 vs July 2018 to September 2018

	3 months ended			
	30.09.2019	30.09.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	190,663	191,098	(435)	-0.2%
Profit from operations	10,450	9,625	825	8.6%
Profit before Interest and tax	10,304	9,531	773	8.1%
Profit before taxation	5,743	3,647	2,096	57.5%
Profit after taxation	4,265	2,789	1,476	52.9%
Profit Attributable to Ordinary Equity Holders of the Parent	4,105	2,714	1,391	51.3%

The Group's revenue for the second quarter ended 30 September 2019 ("Q2FY2020") was registered at RM190.7 million, as against revenue of RM191.1 million of the preceding quarter ended 30 September 2018. This represents a decrease of RM0.4 million (0.2 percent) quarter-on-quarter ("q-o-q"). IBS segment posted an increase of RM0.5 million (0.9 percent), from RM59.6 million to RM60.2 million while DBS segment recorded a decrease in sales result by RM1.0 million (0.7 percent), from RM131.5 million to RM130.5 million q-o-q.

Within the IBS segment, increased shipments volume from aerospace, chemical and paper products manufacturing customers coupled with business support from solar panel and healthcare customers pushed revenue of OFF division to rise RM5.0 million (28.5 percent), from RM17.7 million to RM22.7 million. However, it was further offset by revenue drop in AFF division. AFF division posted RM4.5 million (10.7 percent) down in revenue from RM41.9 million to RM37.4 million. It was largely resulted from declined export shipments and business of capacitor, E&E and chemical customers notwithstanding that increase in business from aerospace and cigarettes and tobacco customers helped to partly cushion revenue drop in AFF division q-o-q.

Within the DBS segment, revenue of CSC division contributed an increase of RM3.4 million (13.6 percent), from RM25.2 million to RM28.6 million q-o-q. On the hand, the revenue of CL and Trucking division was down by RM3.5 million (4.1 percent) and RM0.9 million respectively. Within the CL division, haulage business contributed the largest revenue increase, with an increase of RM5.0 million (43.1 percent), from RM11.7 million to RM16.7 million, on the back of revenue contribution from the container deliveries especially for E&E and musical instrument customers and new haulage sales from Custom Clearance customers of which the haulage revenue was reclassified from Custom Clearance business q-o-q. As such, this resulted revenue of Custom Clearance division to fall significantly from RM32.8 million to RM28.0 million, a reduction of RM4.8 million (14.6 percent). Although a new pharmaceutical customer was secured, revenue of In-Plant business decreased by RM0.4 million (6.8 percent) from RM6.3 million to RM5.9 million due to declined production volume of existing E&E and semiconductor manufacturers. Besides, transfer of convenience retail business to CSC business and declined warehousing volume of major E&E customers coupled with lower value added services of tobacco customer resulted in Warehouse business to post a decrease of revenue by RM3.3 million (9.7 percent), from RM34.1 million to RM30.8 million. Meanwhile, ceased business of cross border delivery for an automotive E&E customer coupled with reduced deliveries for telecommunication and E&E customers resulted in Trucking business recorded a decrease from RM21.4 million to RM20.5 million, a drop of RM0.9 million (4.2 percent).

PBT for Q2FY2020 increased from RM3.6 million to RM5.7 million q-o-q, an increase of RM2.1 million (57.5 percent). PAT for Q2FY2020 increased by RM1.5 million (53.0 percent) from RM2.8 million to RM4.3 million. IBS segment recorded a marginal increase in PBT by RM0.01 million (0.6 percent) from RM1.56 million to RM1.57 million while DBS segment recorded an increase of RM0.7 million (11.8 percent) from RM6.2 million to RM7.0 million.

Within IBS segment, drop in revenue and business volume resulted PBT of AFF division to fell from RM1.8 million to RM1.5 million, a reduction of RM0.3 million (18.7 percent) q-o-q. On the other hand, significant revenue and volume hike drove OFF division to post higher PBT by RM0.3 million (140.6 percent) from loss RM0.2 million to a profit of RM0.1 million.

Within the DBS segment, PBT of CL division rose from RM3.6 million to RM7.7 million, an increase of RM4.1 million (114.2 percent). An increase in PBT of CL business was mainly caused by higher PBT recorded in Warehouse business where increase in PBT from loss RM1.9 million to profit RM3.6 million, which showed an increased by RM5.5 million (282.8 percent). At same time, Haulage business also recorded an increase from RM1.4 million to RM2.1 million, an increase of RM0.7 million (45.7 percent). PBT of Custom Clearance and In-Plant business experienced decline in PBT by RM1.0 million (42.4 percent) and RM1.1 million (60.9 percent) respectively. Newly secured FMCG customer and improved warehouse occupancy in Southern Region coupled with transfer of convenience retail business to CSC division caused PBT of Warehouse business to increase significantly. On the other hand, decrease in revenue and project cargo in Custom Clearance business cause PBT of Custom Clearance business to drop 42.4 percent.

However, the increased PBT of CL was largely bogged down by the declined PBT of CSC and Trucking divisions q-o-q. CSC recorded a significant decrease in PBT of RM2.2 million (81.7 percent) q-o-q from RM2.7 million to RM0.5 million, causing by reorganisation by transferring loss-making convenience retail business from Warehouse business. Trucking division, another divisions shown a significant decrease in PBT of RM1.2 million (100.0 percent) from profit RM0.01 million to loss RM1.2 million due to lower gross margin as a results of competitive environment.

Apart from the operating business segments, reduction in net non-operating expenses of RM2.1 million (575.0 percent), largely as a result of stamp duty of Westport Logistic Centre and professional fee related to Merge and Acquisition activities (incurred in previous year's corresponding quarter), RM4.1 million to RM2.8 million from Support segment partly contributed to the Group's PBT q-o-q.

B3. Comparison with Preceding Quarter's Results: July 2019 to September 2019 vs April 2019 to June 2019

	3 months ended			
	30.09.2019	30.06.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	190,663	180,402	10,261	5.7%
Profit from operations	10,450	6,881	3,569	51.9%
Profit before Interest and tax	10,304	6,772	3,532	52.2%
Profit before taxation	5,743	1,921	3,822	199.0%
Profit after taxation	4,265	1,390	2,875	206.8%
Profit Attributable to Ordinary Equity Holders of the Parent	4,105	1,282	2,823	220.2%

The Group's revenue for the second quarter ended 30 September 2019 ("Q2FY2020") was registered at RM190.7 million, as against revenue of RM180.4 million of the preceding quarter ended 30 June 2019. This represents an increase of RM10.3 million (5.7 percent). The Group's revenue for the Q2FY2020 was strengthened by DBS segment, by recording an increase of RM10.9 million (9.2 percent) against the preceding quarter, from RM119.6 million to RM130.5 million. Meanwhile, the IBS segment posted a decrease of RM0.7 million (1.1 percent), from RM60.9 million to RM60.2 million.

Within the IBS segment, AFF division posted an increase in revenue from RM36.0 million to RM37.4 million, an increase of RM1.4 million (3.9 percent) against last preceding quarter. The revenue hike was mainly attributable to air shipments of existing E&E, capacitor, automotive, cigarettes and tobacco as well as office equipment customers were bounced up in the Q2FY2020. On the other hand, decrease in export shipments from solar panel manufacturer, aerospace, waste recycling customer caused OFF business to post lower sales from RM24.8 million to RM22.7 million, a decrease of RM2.1 million (8.4 percent) against preceding quarter.

Within the DBS segment, CL and Trucking divisions contributed increase in revenue of RM9.1 million (12.6 percent) and RM1.9 million (10.4 percent). However, it was partly offset by revenue reduction in CSC division by RM0.08 million (0.3 percent), largely caused by business discontinuation of a confectionery customer. Except for In-Plant business, all businesses in CL divisions reported revenue hikes at back of increased cargo and shipment volume in the 2QFY2020 against preceding quarter. Within CL division, increased shipments and containers volume from E&E, solar panel and wood flooring manufacturers as well as FMCG customers resulted revenue of Custom Clearance and Haulage businesses to rise by RM6.5 million (30.0 percent) and RM1.8 million (12.2 percent) respectively against last preceding quarter. Increase in warehousing volume from E&E, plastic resin, FMCG, cigarettes and tobacco and coupled with newly secured barcode manufacturing and FMCG customers resulted in Warehouse business to post higher revenue by RM1.2 million (4.1 percent) against preceding quarter. Decline in production volume of air-conditioners and TV manufacturers largely impacted In-Plant business to fell by RM0.4 million (6.6 percent). Increase in deliveries of cigarrettes and tobacco, FMCG, E&E and telecommunication customers caused revenue of Trucking division increase from RM18.6 million to RM20.5 million, an increase of RM1.9 million (10.4 percent) against preceding quarter.

PBT for Q2FY2020 increase from RM1.9 million to RM5.7 million as against preceding quarter, an increase of RM3.8 million (199.1 percent). IBS segment recorded a decrease of RM0.1 million (8.3 percent) from RM1.7 million to RM1.6 million. DBS segment recorded an increase of RM1.8 million (35.8 percent) from RM5.1 million to RM7.0 million.

Within IBS segment, AFF shown an increase in PBT of RM0.3 million (26.8 percent) against preceding quarter on the back of its slightly increase in sales revenue and higher profit margin for spot shipments of E&E customer. However, it was partly offset by decreased PBT of OFF business by RM0.5 million (81.9 percent) where OFF experienced decrease from RM0.6 million to RM0.1 million on the back of decreased revenue and volume.

Within the DBS segment, CL division recorded an increase in PBT by RM2.3 million (42.6 percent) while PBT of CSC division decreased by RM0.8 million (63.0 percent), and PBT of Trucking division was shown an improvement from loss RM1.6 million to loss RM1.2 million, a loss reduction by RM0.4 million (24.3 percent) against last preceding quarter. Within CL division, with increase in revenue, PBT of Custom Clearance, Haulage and Warehouse businesses rose by RM0.5 million (60.6 percent), RM0.5 million (33.0 percent) and RM1.8 million (101.0 percent) respectively. However, the improved PBT in Custom Clearance, Haulage and Warehouse businesses were offset by declined PBT in In-Plant business by RM0.5 million (41.6 percent) as compared with last preceding quarter. PBT reduction in CSC division was mainly caused by lossing of warehousing business of a confectionery customer against preceding quarter.

Also, reduction in net non-operating expenses by RM2.1 million (43.1 percent), which were largely as a result of cost control measures on general and administrative expenses as well as reduction in professional fee of corporate exercises as against preceding quarter, also improved PBT to the Group.

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

In the latest World Economic Outlook report ("WEO") released in October 2019, the International Monetary Fund ("IMF") stated that the global economy is in a synchronized slowdown, with growth forecast for 2019 downgraded again to 3 percent. This is the slowest growth pace since the global financial crisis of 2008-09, and 0.3 percentage point lower than the April 2019 WEO forecast. The subdued growth is a serious climbdown from 3.8 percent in 2017, when the world was in a synchronized upswing, and resulted from, amongst other factors, rising trade barriers; elevated uncertainty surrounding trade and geopolitics; idiosyncratic factors causing macroeconomic strain in several emerging market economies; and structural factors. For 2020, global growth is projected to improve modestly to 3.4 percent, a downward revision of 0.2 percent from the April projections. However, unlike the synchronized slowdown, this recovery is expected to be not broad-based and is precarious. With uncertainty about prospects for several countries, a projected slowdown in China and the United States, and prominent downside risks, a much more subdued pace of global activity could well materialize.
(Source: WEO dated October 2019)

In Malaysia, Bank Negara Malaysia ("BNM") announced on 15 November 2019 that the Malaysian economy grew by 4.4 percent in the third quarter of 2019 (2Q2019: 4.9 percent), which was the slowest growth in a year. The similarly subdued growth is primarily attributed to lower growth in key sectors and a decline in the mining and construction activities, but continued to be supported by services and manufacturing sectors. Domestic demand continued to anchor growth, albeit at a slower momentum. Gross exports contracted for the first time since 3Q2016, coming in at -1.9 percent, while gross import declined by 5.8 percent. On the demand side, most domestic demand components and net exports registered slower growth momentum. On a q-o-q seasonally-adjusted basis, the economy grew by 0.9 percent. For the first three quarters of 2019, the Malaysian economy registered an average growth of 4.6 percent. Going forward, BNM expects the pace of growth to be sustained for the remainder of the year and going into 2020. This is underpinned mainly by private sector activity, particularly household spending, which is supported by continued expansion in employment and income.
(Source: BNM press statement dated 15 November 2019)

The prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy, as the health of the logistics industry is closely aligned with the economic activity and international trade. According to the economic reports produced by the esteemed organizations above, both the global and domestic economies are currently facing uncertainties due to aforementioned reasons, with risks tilted towards the downside. Despite the challenging economic situation, we have once again proven our resilience by managing to maintain our top line in the quarter under review, as well as for the year-to-date performance. As for our bottom line, the quarter under review has shown a marked improvement q-o-q, which resulted in our earnings performance closing the gap vis-a-vis last year corresponding year-to-date. Going forward into the second half of the financial year ("FY") downside risks for the Group continue to include rising operational costs (in particular new minimum wages as well as higher overtime threshold as announced in the recent national Budget); substantial interest costs (of which we expect to start reducing significantly from the next FY following scheduled repayments); and a more competitive market environment 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 6 months Ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax				
- Current tax	(2,024)	(1,331)	(2,250)	(4,128)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	546	473	241	1,670
- underprovision in prior years	-	-	-	-
	(1,478)	(858)	(2,009)	(2,458)
	-	-	-	-

The Group's effective tax rate for the cumulative 6 months ended 30 September 2019 was above the statutory rate is mainly due to non-deductible expenses.

B7. 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.

B8. Borrowing

	As at 2nd quarter ended 30.09.2019					
	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	-	75	-	465	-	540
Lease liabilities under MFRS 16	-	10,279	-	3,087	-	13,366
Amount owing to corporate shareholder of a subsidiary	-	5,131	-	372	-	5,503
Bank loan (Synthetic Foreign currency and unsecured) - USD *	-	-	900	-	900	-
Bank loan (unsecured)		276,803		17,677	-	294,480
Bank loan (secured)	-	34,272	-	5,415	-	39,687
Revolving credit facilities	-	-	-	-	-	-
Total borrowings	-	326,560	900	27,016	900	353,576

	As at 2nd quarter ended 30.09.2018					
	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	-	475	-	2,038	-	2,513
Bank loan (Synthetic Foreign currency and unsecured) - USD **	1,094	-	10,357	-	11,451	-
Bank loan (unsecured)	-	262,435	-	49,533	-	311,968
Bank loan (secured)	-	37,646	-	5,415	-	43,061
Revolving credit facilities	-	-	-	15,000	-	15,000
Total borrowings	1,094	300,556	10,357	71,986	11,451	372,542

* USD denomination at average exchange rate of USD$1:RM4.19
** USD denomination at average exchange rate of of USD$1:RM4.14

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

B9. Litigation

There was no material litigation pending since 30 September 2019 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 6 months Ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
PAT after non-controlling interest (RM'000)	4,105	2,714	5,387	7,785
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	2.05	1.36	2.69	3.89
	========	==========	===========	===========

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

B12. Derivative Financial Instruments

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

	Contract or Notional amount as at		Fair value net gains or (loses)		
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**	
Derivatives	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**Purpose**
1. Cross currency swap Contracts:					
- More than 3 years	900	11,451	179	1,981	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.

B14. Profit for the period

	3 months ended		Cumulative 6 months Ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period is arrived at after crediting:				
Interest income	969	484	1,598	717
Other income	735	430	1,610	1,721
Gain on disposal of property, plant and equipment	(90)	508	18	508
Realised foreign exchange gain	172	-	526	-
and after charging:				
Interest expenses	4,678	5,884	9,412	9,311
Lease interest under MFRS 16	106	-	223	-
Property, plant and equipment written off	-	-	5	-
Depreciation of property, plant and equipment	8,105	8,157	16,198	14,835
Depreciation of right-of-use assets	1,892	-	3,783	-
Provision for/write off receivables	(184)	-	99	-
Provision for/write off inventories	-	-	-	-
Realised foreign exchange loss	-	326	-	413
Unrealised foreign exchange loss	(146)	-	230	-

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