TASCO Berhad
(Company No: 20218-T)

Condensed Consolidated Financial Statements For The Quarter And Year-To-Date Ended 31 December 2019

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-2019

	3 months ended		Cumulative 9 months Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	190,137	184,694	561,202	557,427
Cost of sales	(163,151)	(158,741)	(483,722)	(480,115)
Gross profit	**26,986**	**25,953**	**77,480**	**77,312**
Other income	2,706	681	6,458	3,627
Administrative and general expenses	(18,734)	(17,481)	(55,649)	(51,901)
Profit from operations	**10,958**	**9,153**	**28,289**	**29,038**
Share of results of associated company and joint venture	(243)	(96)	(498)	(254)
Finance costs	(4,603)	(4,685)	(14,015)	(13,996)
Profit before taxation	**6,112**	**4,372**	**13,776**	**14,788**
Tax expense	(2,233)	(1,167)	(4,242)	(3,625)
Profit for the period	**3,879**	**3,205**	**9,534**	**11,163**
Profit Attributable to:				
Owners of the Company	3,880	3,136	9,267	10,922
Non-Controlling Interest	(1)	69	267	241
	3,879	**3,205**	**9,534**	**11,163**
Earnings per share (sen) - basic	1.94	1.57	4.63	5.46

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 31-December-2019

	3 months ended		Cumulative 9 months Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	**3,879**	**3,205**	**9,534**	**11,163**
Other Comprehensive Income:				
Exchange differences on translation foreign operation	(367)	(33)	(422)	(285)
Fair Value adjustment on cash flow hedge	3	28	11	101
Other comprehensive income/(Loss) for the period, net of tax	(364)	(5)	(411)	(184)
Total Comprehensive Income	**3,515**	**3,200**	**9,123**	**10,979**
Total Comprehensive Income attributable to:				
Owners of the Company	3,516	3,131	8,856	10,738
Non-Controlling Interest	(1)	69	267	241
	3,515	**3,200**	**9,123**	**10,979**

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 31-December-2019

	As at 31.12.2019 RM'000 Unaudited	As at 31.03.2019 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	507,209	525,519
Right-of-use assets	15,898	-
Goodwill	81,864	81,864
Investment in associated company	2,990	3,215
Investment in a joint venture	1,671	3,944
Other assets	1,008	1,008
Total non-current assets	**610,640**	**615,550**
Current assets		
Trade receivables	115,186	112,335
Other receivables, deposits and prepayments	18,389	21,531
Derivative financial assets	-	835
Amount owing by immediate holding company	3,540	3,650
Amounts owing by related companies	6,992	7,444
Amounts owing by associated company	50	15
Amount owing by a joint venture company	2,167	3,257
Current tax asset	6,971	12,255
Short term investments	5,288	5,155
Fixed deposits with licensed banks	126,528	16,535
Cash and bank balances	68,263	60,644
Total current assets	**353,374**	**243,656**
TOTAL ASSETS	**964,014**	**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 31-December-2019

	As at 31.12.2019 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	-	(11)
Exchange translation reserve	(464)	(42)
Fair value reserve	(64)	(64)
Retained profits	334,566	269,173
Equity attributable to owners of the Company	436,239	371,257
Non-controlling interest	63,829	1,637
Total equity	**500,068**	**372,894**
Non-current liabilities		
Hire purchase and finance lease liabilities	26	205
Lease liabilities under MFRS 16	9,176	-
Bank term loans	305,605	289,596
Amount owing to corporate shareholder of a subsidiary	4,945	-
Deferred tax liabilities	26,823	26,352
Total non-current liabilities	**346,575**	**316,153**
Current liabilities		
Trade payables	50,506	48,535
Other payables, deposits and accruals	29,771	32,649
Amount owing to immediate holding company	2,175	1,574
Amounts owing to related companies	4,264	5,286
Hire purchase and finance lease liabilities	313	1,128
Lease liabilities under MFRS 16	6,889	-
Bank term loans	23,081	60,187
Amount owing to corporate shareholder of a subsidiary	372	-
Revolving credit	-	20,000
Current tax liabilities	-	800
Total current liabilities	**117,371**	**170,159**
Total liabilities	**463,946**	**486,312**
TOTAL EQUITY AND LIABILITIES	**964,014**	**859,206**
Net Assets per share (RM)	**2.18**	**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 31-December-2019

	Attributable 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	-	-	101	(285)	-	10,922	10,738	241	10,979
Dividends paid	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Balance at 31 Dec 2018	**100,801**	**1,400**	**(23)**	**(447)**	**(64)**	**267,032**	**368,699**	**1,559**	**370,258**
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	-	-	11	(422)	-	9,267	8,856	267	9,123
Accretion of interest in existing subsidiaries	-	-	-	-	-	61,125	61,125	63,875	125,000
Dividends paid	-	-	-	-	-	(5,000)	(5,000)	(1,950)	(6,950)
Balance at 31 Dec 2019	**100,801**	**1,400**	**-**	**(464)**	**(64)**	**334,566**	**436,239**	**63,829**	**500,068**

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 31-December-2019

	Year-To-Date Ended	
	31.12.2019	31.12.2018
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,776	14,788
Adjustments for:		
Allowance for doubtful debts	89	-
Depreciation of property, plant and equipment	24,066	20,355
Depreciation of right-of-use assets	5,704	-
Negative goodwill	-	(553)
Gain on disposal of property, plant and equipment	(386)	(760)
Property, plant and equipment written off	5	-
Share of results of associated company and joint venture	498	225
Interest income	(2,877)	(1,057)
Interest expense	14,015	13,996
Lease interest under MFRS 16	329	-
Unrealised (gain) / loss on foreign exchange	1,094	-
Operating profit before working capital changes	**56,313**	**46,994**
Changes in receivables	1,291	36,100
Changes in payables	1,891	2,786
Cash generated from operations	59,495	85,879
Net tax paid	(5,209)	(7,594)
Net Cash generated from operating activities	**54,286**	**78,285**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,982)	(152,351)
Proceeds from disposal of property, plant and equipment	3,294	932
Acquisition of subsidiary company	-	(9,925)
Proceeds from disposal of subsidiary company shareholding	125,000	-
Placement in short term investments	(5,288)	(5,112)
Interest received	2,877	1,057
Net cash generated from / (used in) investing activities	**118,900**	**(165,399)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	126,000
Loan from a corporate shareholder of a subsidiary	5,503	-
Repayment of loan to a corporate shareholder of a subsidiary	(186)	-
Repayment of term loans	(22,891)	(20,212)
Received loan repayment from / (loan to) joint venture	2,000	(3,600)
Repayment of revolving credits	(20,000)	(5,000)
Payment of hire purchase and finance lease	(994)	(1,445)
Interest paid	(14,015)	(13,996)
Dividend paid	(5,000)	(5,000)
Net cash (used in) / generated from financing activities	**(55,583)**	**76,747**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**117,603**	**(10,367)**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	77,179	80,418
EFFECT OF EXCHANGE RATE CHANGES	9	(285)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**194,791**	**69,766**
Represented by:		
Fixed deposits with a licensed bank	126,528	25,360
Cash and bank balances	68,263	44,406
	194,791	**69,766**

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.

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

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months Ended		9 months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
International Business Solutions				
Air Freight Forwarding Division	109,818	128,919	4,284	7,092
Ocean Freight Forwarding Division	71,850	55,053	1,118	(1,359)
	181,668	**183,972**	**5,402**	**5,733**
Domestic Business Solutions				
Contract Logistics Division	233,184	240,251	20,682	12,155
Cold Supply Chain Division	87,190	72,127	2,389	9,144
Trucking Division	59,159	61,077	(3,517)	113
	379,534	**373,455**	**19,554**	**21,412**
Others	-	-	(11,180)	(12,357)
Total	**561,202**	**557,427**	**13,776**	**14,788**

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 31 December 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 RM5,400,000 for principal debts only. The validity of the guarantees shall expire as follows:

Guaranteed Sum (RM'000)	Expiry
1,500	31 July 2020
3,900	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 31.12.2019 RM'000	As at 31.12.2018 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	1,869	890
- acquisition of leasehold land	25,370	-
	27,239	890

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

A15. Related Party Disclosures

	9 months Ended	
	31.12.2019	**31.12.2018**
	RM'000	**RM'000**
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary companies	281	324
Labour charges paid and payble to subsidiary companies	26,717	30,516
Labour charges received and receivable from subsidiary companies	667	843
Maintenance charges paid and payable to a subsidiary company	-	48
Handling fees paid and payable to subsidiary companies	4,464	-
Handling fees received and receivable from subsidiary companies	6,095	-
Related logistic services paid and payable to subsidiary companies	267	133
Related logistic services received and receivable from a subsidiary company	2,462	2,468
Rental of land and premises received and receivable from a subsidiary company	2,039	-
Rental of premises paid and payable to a subsidiary company	2,833	3,022
Rental of trucks received and receivable from a subsidiary company	1,402	1,963
Loan interest received and receivable from a subsidiary company	530	-
Management fee received and receivable from a subsidiary company	876	-
	===========	=========
Transaction with immediate holding company		
Related logistic services received and receivable	31,904	32,280
Related logistic services paid and payable	22,486	13,123
Management services fee paid and payable	8,130	-
Transaction with related companies		
Related logistic services received and receivable	44,344	47,073
Related logistic services paid and payable	44,093	49,081
Management fee paid and payable	-	4,424
IT fees paid and payable	1,438	798
	===========	=========
Transaction with associated company		
Accounting fee received and receivable from an associated company	14	-
	===========	=========
Transaction with joint venture company		
Related logistic services received and receivable	2,104	1
	===========	=========

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

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

	9 months Ended			
	31.12.2019	31.12.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	561,202	557,427	3,775	0.68%
Profit from operations	28,289	29,038	(749)	-2.58%
Profit before Interest and tax	27,791	28,784	(993)	-3.45%
Profit before taxation	13,776	14,788	(1,012)	-6.84%
Profit after taxation	9,534	11,163	(1,629)	-14.59%
Profit Attributable to Ordinary Equity Holders of the Parent	9,267	10,922	(1,655)	-15.15%

The Group posted revenue of RM561.2 million for the financial period ended ("FPE") 31 December 2019 as against RM557.4 million, an increase of RM3.8 million (0.7 per cent) year-on-year ("y-o-y"). Revenue from International Business Solutions ("IBS") showed a decrease of RM2.3 million (1.3 per cent) from RM184.0 million to RM181.7 million, whereas Domestics Business Solutions ("DBS") segment recorded an increase of RM6.1 million (1.6 per cent), from RM373.4 million to RM379.5 million y-o-y.

In the IBS segment, with the strong export shipments support from solar panel and aerospace customers coupled with newly secured tender business of medical devices and healthcare customers, revenue of Ocean Freight Forwarding ("OFF") business was largely uplifted by RM16.8 million (30.5 per cent), from RM55.0 million to RM71.9 million on y-o-y. However, it was largely offset by the revenue drop in Air Freight Forwarding ("AFF") business by RM19.1 million (14.8 per cent), dropped from RM128.9 million to RM109.8 million y-o-y resulting from reduction in export orders of capacitor and chemical customers. In addition, switching of shipment arrangements from air to sea mode by an aerospace customer impacted revenue to drop in AFF business.

Within DBS segment, revenue of DBS was mainly strengthened from Cold Supply Chain ("CSC") division. CSC contributed an increase of RM15.1 million (20.9 per cent) y-o-y, from RM72.1 million to RM87.2 million. Contract Logistics ("CL") division showed a decrease in revenue of RM7.1 million (2.9 per cent), from RM240.2 million to RM233.2 million. Within CL business, haulage business was the largest revenue contributor, with an increase in revenue of RM13.3 million (38.8 per cent), from RM34.3 million to RM47.6 million, on the back of revenue contribution from the container deliveries especially for electrical and electronics ("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, reduction in 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 RM10.6 million (11.7 per cent). Reduced volume of E&E and semiconductor customers as well as transfer of warehousing business of a convenient retail customer effective from April 2019 to CSC division affected revenue of Warehouse business to drop from RM96.8 million to RM87.8 million, a reduction of RM9.0 million (9.3 per cent). Drop in production volume of E&E customers also resulted revenue of In-Plant business to drop by RM0.8 million (4.2 per cent) y-o-y. 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 reduction by RM1.9 million (3.1 per cent), from RM61.1 million to RM59.2 million.

The Group's profit from operations for the year-to-date ended 31 December 2019 decreased by RM0.7 million (2.6 per cent) from RM29.0 million to RM28.3 million. Profit before taxation ("PBT") for the year-to-date ended 31 December 2019 decreased from RM14.8 million to RM13.8 million, a drop of RM1.0 million (6.8 per cent), and profit after tax ("PAT") for the year-to-date ended 31 December 2019 declined from RM11.2 million to RM9.5 million (14.6 per cent) y-o-y. The deficiency in the profit performance vis-a-vis the previous year was mainly due to poorer profit results registered in the first quarter of the year, and the better results of the second and third quarters had managed to close the gap in the year-to-date profit performance.

PBT of IBS segment decreased from RM5.7 million to RM5.4 million, dropped by 5.8 per cent (RM0.3 million) y-o-y at back of decrease in revenue of IBS segment. Within IBS, OFF business posted an increase in PBT of RM2.5 million (182.2 per cent) from loss of RM1.4 million to profit of RM1.1 million y-o-y. It was underpinned by revenue hike in OFF business resulting from capturing back of some loss businesses and 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 RM7.1 million to RM4.3 million, a decrease of RM2.8 million (39.6 per cent). As for DBS segment, it posted a decrease in PBT of RM1.9 million (8.7 per cent), from RM21.4 million to RM19.6 million y-o-y. Within DBS segment, CL division recorded a significant increase in PBT by RM8.5 million (70.1 per cent), from RM12.2 million to RM20.7 million. Within CL division, PBT of Warehouse and Haulage businesses rose by RM12.5 million and RM0.7 million respectively whereas PBT of Custom Clearance and In-plant business reduced by RM4.0 million and 0.6 million respectively. However, increase in PBT of CL division was largely offset by reduction in PBT from CSC and Trucking divisions. CSC division showed a decrease in PBT of RM6.8 million (73.9 per cent). Increased fixed operating expenses burdened the Trucking division to record reduction in PBT by RM3.6 million.

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.

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

	3 months ended			
	31.12.2019	31.12.2018	Changes	
	RM'000	RM'000	RM'000	%
Revenue	190,137	184,694	5,443	2.9%
Profit from operations	10,958	9,153	1,805	19.7%
Profit before Interest and tax	10,715	9,057	1,658	18.3%
Profit before taxation	6,112	4,372	1,740	39.8%
Profit after taxation	3,879	3,205	674	21.0%
Profit Attributable to Ordinary Equity Holders of the Parent	3,880	3,136	744	23.7%

The Group's revenue of the third quarter ended 31 December 2019 ("Q3FY2020") was registered at RM190.1 million, as against revenue of RM184.7 million of the previous year quarter ended 31 December 2018. This represents an increase of RM5.4 million (2.9 per cent) quarter-on-quarter ("q-o-q"). IBS segment posted a decrease of RM3.5 million (5.5 per cent), from RM64.1 million to RM60.6 million while DBS segment recorded a revenue hike by RM9.0 million (7.5 per cent), from RM120.5 million to RM129.5 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 RM4.1 million (20.2 percent), from RM20.2 million to RM24.3 million. However, it was further offset by revenue drop in AFF division. AFF division posted RM7.6 million (17.3 per cent) down in revenue from RM44.0 million to RM36.3 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, tobacco and office equipment customers helped to partly cushion revenue drop in AFF division q-o-q.

Within the DBS segment, revenue of CL division rose by RM4.0 million (5.2 per cent), from RM75.5 million to RM79.5 million. CSC division showed an increase of RM4.1 million (16.0 per cent) from RM25.8 million to RM29.9 million. Meanwhile, revenue of Trucking division rose from RM19.2 million to RM20.1 million with an increase of RM0.9 million (4.7 per cent) q-o-q. Revenue increase in CL was largely contributed from custom clearance and haulage businesses as a result of increase revenue particularly from export shipments of solar panel, FMCG and project cargo as well as import shipments from E&E customers. Revenue of custom clearance business rose from RM25.4 million to RM30.5 million, an increase of RM5.1 million (20.0 per cent). Revenue of Haulage division hiked from RM12.6 million to RM16.0 million, increased by RM3.4 million (27 per cent). Besides increased container deliveries contribution from existing E&E and musical instrument customers, new haulage sales from custom clearance customers of which the haulage revenue was reclassified from Custom Clearance business resulted the haulage division reported higher revenue q-o-q. Revenue of Warehouse business was down by RM4.2 million (13.2 per cent), from RM31.6 million to RM27.5 million q-o-q. Although a FMCG customer was newly secured in Southern region, drop in warehouse revenue was arisen from transfer of convenience retail business to CSC business and declined warehousing volume of existing major E&E customers coupled plastic resin customers. On the other hand, although a new pharmaceutical customer was secured, revenue of In-Plant business decreased by RM0.4 million (6.1 percent), from RM5.8 million to RM5.4 million due to declined production volume of existing E&E and plastics resin manufacturers. Increase in revenue CSC division was mainly arisen from transfer of convenient retail business from warehouse division to CSC division. Contribution from new FMCG customer and increased deliveries for cigarette and tobacco pushed Trucking division to post higher revenue q-o-q.

PBT for Q3FY2020 rose from RM4.4 million to RM6.1 million as against previous year quarter ended 31 December 2018, an increase of RM1.7 million (39.8 per cent). PAT for Q3FY2020 fell by RM0.4 million (13.1 per cent) from RM3.2 million to RM2.8 million. IBS segment recorded a decrease in PBT by RM0.4 million (15.6 per cent) from RM2.5 million to RM2.1 million while DBS segment recorded an increase of RM1.2 million (19.1 per cent) from RM6.2 million to RM7.4 million. However, decreases of PBT from operating segments of IBS and DBS were offset by reduction of RM0.9 million (21.3 per cent) of non operating expenses and general expenses incurred in support segment which were largely attributable to cost control measures.

Within IBS segment, revenue and shipments reduction in AFF division resulted PBT of AFF division to fell from RM2.9 million to RM1.6 million, a drop of RM1.3 million (43.9 per cent) q-o-q. On the other hand, hike in revenue and shipment volume drove OFF division to post high PBT by RM0.9 million (205.9 per cent) from loss RM0.4 million to a profit of RM0.5 million q-o-q.

Within the DBS segment, CL business was the largest PBT contributor to DBS segment. PBT of CL division increased from RM3.5 million to RM7.6 million, an increase of RM4.2 million (119.0 per cent) q-o-q. However, the PBT result of DBS segment was pulled down by the decrease in PBT of CSC and Trucking divisions by RM2.8 million (82.7 per cent) and RM0.1 million (25.1 per cent) respectively. Increase in PBT of CL division was largely contributed from Warehouse business, with an increase of RM5.5 million (262.8 per cent) from loss of RM2.1 million to PBT RM3.4 million. Despite revenue dropped in Warehouse business, significant PBT improvement was largely resulted from improved occupancy rate of a warehouse located in Port Tg Pelepas coupled with reorganisation by transferring loss-making convenient retail business from Warehouse division to CSC division. However, the increase in PBT of Warehouse business was further offset by PBT reduction in Custom Clearance, Haulage and In-Plant businesses by RM0.7 million (30.8 per cent), RM0.6 million (21.5 per cent) and RM0.1 million (18.8 per cent) respectively. Decline in PBT of CSC division was mainly causing by reorganisation by transferring loss-making convenience retail business from Warehouse business. PBT dropped in Trucking division was due to lower gross margin as a results of competitive environment.

B3. Comparison with Preceding Quarter's Results: October 2019 to December 2019 vs July 2019 to September 2019

	3 months ended			
	31.12.2019	**30.09.2019**	**Changes**	
	RM'000	**RM'000**	**RM'000**	**%**
Revenue	190,137	190,663	(526)	-0.3%
Profit from operations	10,958	10,450	508	4.9%
Profit before Interest and tax	10,715	10,304	411	4.0%
Profit before taxation	6,112	5,743	369	6.4%
Profit after taxation	3,879	4,265	(386)	-9.1%
Profit Attributable to Ordinary Equity Holders of the Parent	3,880	4,105	(225)	-5.5%

The Group's revenue of the third quarter ended 31 December 2019 ("Q3FY2020") was registered at RM190.1 million, as against revenue of RM190.6 million of the preceding quarter ended 30 September 2019. This represents a decrease of RM0.5 million (0.3 per cent). IBS segment posted an increase of RM0.4 million (0.7 per cent) from RM60.2 million to RM60.6 million while revenue of DBS segment was reduced from RM130.4 million to RM129.5 million, an reduction of RM0.9 million (0.7 per cent) as against preceding quarter.

Within the IBS segment, AFF division posted a decrease in revenue from RM37.4 million to RM36.3 million, a decrease of RM1.1 million (2.9 per cent) against last preceding quarter. Shipments dropped from E&E, capacitor and cigarettes & tobacco customers caused AFF to post lower revenue against last preceding quarter. On the other hand, increase in shipments contribution from aerospace, paper and aluminium manufacturers caused OFF business to post higher revenue from RM22.7 million to RM24.2 million, an increase of RM1.5 million (6.7 per cent) against preceding quarter.

Within the DBS segment, CSC division contributed an increase in revenue of RM1.3 million (4.6 per cent), from RM28.6 million to RM29.9 million, mainly contributed from seasonal increase in handling volume for convenient retail customers. On the hand, CL and Trucking divisions posted decrease in revenue of RM1.9 million (2.3 per cent) and RM0.4 million (1.8 per cent) respectively. Within CL division, contribution from project cargo, increased shipments from solar and E&E manufacturers drove Custom Clearance business to post higher revenue of RM2.5 million (8.9 per cent), from RM28.0 million to RM30.5 million against last preceding quarter. Revenue of Haulage, Warehouse and In-Plant businesses were dropped by RM0.7 million (4.0 per cent), RM3.3 million (10.8 per cent) and RM0.4 million (7.3 per cent) respectively against last preceding quarter. Decrease in container deliveries for cigarettes and tobacco, musical instrument and food manufacturers resulted lower revenue of Haulage business. Festive and short working days in third quarter caused Warehouse and In-plant businesses to post lower revenue as lesser production and warehousing volume for manufacturing customers particularly of E&E, musical instrument and plastic resin customers. Decrease in distribution deliveries of tobacco and cigarettes, FMCG and telecommunication customers caused revenue of Trucking division dropped by RM0.4 million (1.8 per cent) against preceding quarter.

PBT for Q3FY2020 increase from RM5.7 million to RM6.1 million as against preceding quarter, an increase of RM0.4 million (6.4 per cent). IBS segment recorded an increase of RM0.5 million (34.0 per cent) from RM1.6 million to RM2.1 million. DBS segment recorded an increase of RM0.5 million (6.8 per cent) from RM7.0 million to RM7.4 million.

Within IBS segment, despite reduction in revenue, AFF posted an increase in PBT of RM0.2 million (11.8 per cent) against preceding due to higher profit margin for spot shipments of E&E customers particularly from Northern region. OFF business posted an increase in PBT by RM0.4 million (359.7 per cent) from RM0.1 million to RM0.5 million on the back of increased revenue and volume.

Within the DBS segment, CL division recorded a decrease in PBT by RM0.02 million (0.3 per cent) while PBT of CSC division increased by RM0.1 million (20.8 per cent), and PBT of Trucking division also showed an improvement from loss RM1.2 million to loss RM0.8 million, a loss reduction by RM0.4 million (33.6 per cent) against last preceding quarter. Within CL division, with increase of revenue, PBT of Custom Clearance business showed an increase of RM0.2 million (14.1 per cent). Decline in revenue and volume handled caused PBT of Haulage, Warehouse and In-Plant businesses to drop by RM0.03 million (1.3 per cent), RM0.1 million (3.6 per cent) and RM0.05 million (7.2 per cent) respectively. Bottom line improvement of Trucking division was largely resulted from reduction in fleet maintenance expenses as against last preceding quarter.

However, the increase in PBT from IBS and DBS business segments was further offset by increased non operating expenses, largely resulted from unrealised foreign exchange loss, in Support segment.

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

In the latest World Economic Outlook report ("WEO") released on 9 January 2020, the International Monetary Fund ("IMF") projected that global economic growth is expected to rise from an estimated 2.9 percent to 3.3 percent in 2020, a downward revision of 0.1 percentage point compared to its projections in the October 2019 WEO. The IMF stated that the downward revision primarily reflects negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a few cases, this reassessment also reflects the impact of increased social unrest. However, it is noted that the latest WEO was issued just before the impact and severity of the COVID-19 epidemic became more apparent. Since then, the IMF Managing Director has issued a statement on 22 February 2020 that, while the impact of the epidemic continues to unfold, the certainties are too great to permit reliable forecasting. In IMF's baseline scenario, announced policies are implemented, the virus is contained, and China's economy would return to normal in the second quarter. In that scenario, 2020 growth for China would be 5.6 percent, which is 0.4 percentage points lower than the January WEO Update. The impact on the world economy would then be relatively minor and short-lived. However, the IMF warned that more dire scenarios are possible where the spread of the virus continues for longer and more globally, and the growth consequences are more protracted.
(Source: WEO dated 9 January 2020 and Statement by IMF Managing Director on 22 February 2020)

In Malaysia, Bank Negara Malaysia ("BNM") announced on 12 February 2020 that the Malaysian economy grew by 3.6 percent in the last quarter of 2019 (4Q2018: 4.7 percent), the slowest growth since the third quarter of 2009. Private consumption grew strongly by 8.1 percent (3Q 2019: 7.0 percent), while private investment registered a higher growth of 4.2 percent (3Q 2019: 0.3 percent). However, growth was affected by supply disruptions in the commodities sector. For 2019 as a whole, the economy expanded by 4.3 percent (2018: 4.7 percent). Going into 2020, growth, particularly in the first quarter of the year, will be affected by the coronavirus outbreak. The overall impact of the virus on the Malaysian economy will depend on the duration and spread of the outbreak as well as policy responses by authorities. For the year as a whole, growth will be supported by household spending, the realisation of approved private investment projects in recent periods, and higher public sector capital spending. Nevertheless, there are downside risks to growth, which include uncertainties in external conditions arising from the ongoing coronavirus outbreak, the various trade negotiations and geopolitical risks, as well as domestic factors, including weakness in the commodities sector and delays in project implementation.
(Source: BNM press statement dated 12 February 2020)

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 mainly due to the unknown impact and duration of the coronavirus outbreak. Nevertheless, our Group has continued to maintain our performance both at the top line and bottom line in the quarter under review, and closing the gap for the year-to-date performance. Going forward into the last quarter of the financial year ("FY"), so far the coronavirus outbreak has not impacted our results significantly, but any protracted and expansion of the outbreak would eventually be expected to impact most, if not all, businesses. Downside risks for the Group continue to include rising operational costs (new minimum wages which already came into effect on 1 February 2020, and higher salary threshold for overtime entitlement to RM4,000 (which was announced in the last national budget); substantial interest costs (which would however be expected to reduce significantly following substantial 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 9 months Ended	
	31.12.2019 RM'000	**31.12.2018 RM'000**	**31.12.2019 RM'000**	**31.12.2018 RM'000**
Income tax				
- Current tax	(200)	140	(2,450)	(3,988)
- underprovision in prior years	(680)	-	(680)	-
- Overprovision in prior years	12	-	12	-
Deferred tax				
- Current year	(1,365)	(1,307)	(1,124)	363
- underprovision in prior years	-	-	-	-
	(2,233)	(1,167)	(4,242)	(3,625)

The Group's effective tax rate for the cumulative 9 months ended 31 December 2019 was above the statutory rate is mainly due to non-deductible expenses and underprovision of prior years' tax 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 3rd quarter ended 31.12.2019					
	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	-	26	-	313	-	339
Lease liabilities under MFRS 16		9,176		6,889	-	16,065
Bank loan (Synthetic Foreign currency and unsecured) - USD *	-	-	-	-	-	-
Bank loan (unsecured)		272,217		16,427	-	288,644
Bank loan (secured)	-	33,388	-	6,654	-	40,042
Revolving credit facilities	-	-	-	-	-	-
Amount owing to corporate shareholder of a subsidiary	-	4,945	-	372	-	5,317
Total borrowings	-	319,752	-	30,655	-	350,407

	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

* USD denomination at average exchange rate of USD$1:RM4.10
** 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 31 December 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 9 months Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
PAT after non-controlling interest (RM'000)	3,880	3,136	9,267	10,922
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	1.94	1.57	4.63	5.46
	========	==========	===========	=========

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2019. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 December 2019, the Group has the following outstanding derivative financial instruments:

	Contract or Notional amount as at		Fair value net gains or (loses)		
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	
Derivatives	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**Purpose**
1. Cross currency swap Contracts:					
- More than 3 years	-	6,905	-	1,451	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.

B13. Profit for the period

	3 months ended		Cumulative 9 months Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Profit for the period is arrived at after crediting:				
Interest income	1,279	340	2,877	1,057
Other income	1,059	(69)	2,669	1,652
Gain on disposal of land and building	-	-	-	508
Gain on disposal of property, plant and equipment	368	252	386	252
Realised foreign exchange gain	-	158	526	158
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	4,603	4,685	14,015	13,996
Lease interest under MFRS 16	106	-	329	-
Property, plant and equipment written off	-	-	5	-
Depreciation of property, plant and equipment	7,868	5,520	24,066	20,355
Depreciation of right-of use assets	1,921	-	5,704	-
Provision for/write off receivables	(10)	-	89	-
Provision for/write off inventories	-	-	-	-
Realised foreign exchange loss	-	-	-	-
Unrealised foreign exchange loss	864	-	1,094	-
Impairment loss of other investment	-	-	-	-

Unless indicated otherwise above, there were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivaties or exceptional item for current quarter and financial period ended 31 December 2019.