

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2020



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-December-2020**

	3 months ended		Cumulative 9 months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	242,706	190,137	650,728	561,202
Cost of sales	(204,235)	(163,151)	(551,129)	(483,722)
Gross profit	38,471	26,986	99,599	77,480
Other income	156	2,706	4,748	6,458
Administrative and general expenses	(18,867)	(18,734)	(56,062)	(55,649)
Profit from operations	19,760	10,958	48,285	28,289
Finance costs	(3,402)	(4,603)	(10,980)	(14,015)
Share of results of associated company and joint venture	343	(243)	221	(498)
Profit before taxation	16,701	6,112	37,526	13,776
Tax expense	(4,513)	(2,233)	(10,544)	(4,242)
Profit for the period	12,188	3,879	26,982	9,534
Profit Attributable to:				
Owners of the Company	11,597	3,880	24,935	9,267
Non-Controlling Interest	591	(1)	2,047	267
	12,188	3,879	26,982	9,534
Earnings per share (sen) - basic	5.80	1.94	12.47	4.63

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 31-December-2020**

	3 months ended		Cumulative 9 months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	12,188	3,879	26,982	9,534
Other Comprehensive Income:				
Exchange differences on translation foreign operation	-	(367)	644	(422)
Fair Value adjustment on cash flow hedge	-	3	-	11
Other comprehensive income/(Loss) for the period, net of tax	-	(364)	644	(411)
Total Comprehensive Income	12,188	3,515	27,626	9,123
Total Comprehensive Income attributable to:				
Owners of the Company	11,597	3,516	25,579	8,856
Non-Controlling Interest	591	(1)	2,047	267
	12,188	3,515	27,626	9,123

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 31-December-2020

	As at 31.12.2020 RM'000 Unaudited	As at 31.03.2020 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	515,090	503,247
Right-of-use assets	6,628	13,076
Goodwill	81,864	81,864
Investment in associated company	2,987	3,048
Investment in a joint venture	3,571	3,289
Other assets	942	1,008
Total non-current assets	611,082	605,532
Current assets		
Trade receivables	131,643	114,515
Other receivables, deposits and prepayments	26,682	18,657
Amount owing by immediate holding company	7,680	4,102
Amount owing by related companies	13,524	6,588
Amount owing by associated company	50	55
Amount owing by a joint venture company	870	834
Current tax asset	335	2,015
Short term investments	5,415	5,330
Fixed deposits with licensed banks	9,081	78,628
Cash and bank balances	116,180	113,153
Total current assets	311,460	343,877
TOTAL ASSETS	922,542	949,409

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 31-December-2020

	As at 31.12.2020 RM'000 Unaudited	As at 31.03.2020 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
Exchange translation reserve	-	(644)
Fair value reserve	(64)	(64)
Retained profits	351,124	334,189
Equity attributable to owners of the Company	453,261	435,682
Non-controlling interest	66,624	64,577
Total equity	519,885	500,259
Non-current liabilities		
Amount owing to corporate shareholder of subsidiary company	4,573	4,945
Hire purchase payables	-	10
Lease liabilities	2,540	4,274
Bank term loans	223,808	245,170
Deferred tax liabilities	22,297	23,954
Total non-current liabilities	253,218	278,353
Current liabilities		
Trade payables	60,349	46,760
Other payables, deposits and accruals	34,914	28,850
Amount owing to immediate holding company	3,580	1,589
Amount owing to related companies	13,505	5,340
Hire purchase payables	15	218
Lease liabilities	4,273	9,047
Bank term loans	29,875	78,181
Amount owing to corporate shareholder of subsidiary company	372	487
Current tax liabilities	2,556	325
Total current liabilities	149,439	170,797
Total liabilities	402,657	449,150
TOTAL EQUITY AND LIABILITIES	922,542	949,409
Net Assets per share (RM)	2.27	2.18

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 31-December-2020

	----- A t t r i b u t a b l e t o O w n e r s o f t h e C o m p a n y -----								
	----- Non-distributable -----					-- Distributable --			Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Hedge reserve RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	
Balance at 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 from issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	61,125	61,125	63,875	125,000
Dividend paid	-	-	-	-	-	(5,000)	(5,000)	(1,950)	(6,950)
Balance at 31 December 2019	100,801	1,400	-	(464)	(64)	334,566	436,239	63,829	500,068
Balance at 1 April 2020	100,801	1,400	-	(644)	(64)	334,189	435,682	64,577	500,259
Total comprehensive income for the period	-	-	-	644	-	24,935	25,579	2,047	27,626
Dividend paid	-	-	-	-	-	(8,000)	(8,000)	-	(8,000)
Balance at 31 December 2020	100,801	1,400	-	-	(64)	351,124	453,261	66,624	519,885

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 31-December-2020

	Year-To-Date Ended	
	31.12.2020 RM'000 Unaudited	31.12.2019 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,526	13,776
Adjustments for:		
Allowance for doubtful debts no longer required	(818)	-
Allowance for doubtful debts	314	89
Depreciation of property, plant and equipment	21,445	24,066
Depreciation of right-of-use assets	7,022	5,704
Gain on disposal of property, plant and equipment	(369)	(386)
Property, plant and equipment written off	-	5
Share of profits of associated and joint venture company, net of tax	(221)	498
Loss on derecognition of subsidiary	825	-
Fair value on investment fund	(85)	-
Interest income	(1,070)	(2,877)
Interest expense	10,980	14,344
Loss on disposal of others investment	13	-
Unrealised (gain) / loss on foreign exchange	4,620	1,094
Operating profit before working capital changes	80,182	56,313
Changes in receivables	(37,965)	1,291
Changes in payables	26,180	1,891
Cash generated from operations	68,397	59,495
Net Tax paid	(8,292)	(5,209)
Net Cash generated from operating activities	60,105	54,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(30,109)	(6,982)
Proceeds from disposal of property, plant and equipment	498	3,294
Proceeds from disposal of subsidiary company shareholding	-	125,000
Placement in short term investments	(5,415)	(5,288)
Proceeds of other investment	66	-
Net cash outflow of derecognition of subsidiary	(45)	-
Interest received	1,070	2,877
Net cash (used in) / generated from investing activities	(33,935)	118,900
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from a corporate shareholder of subsidiary	-	5,503
Repayment of term loan	(69,668)	(22,891)
Repayment of hire purchase	(214)	(994)
Repayment from / (advance to) joint venture company	-	2,000
Repayment of revolving credits	-	(20,000)
Repayment of lease liabilities	(7,080)	-
Repayment of amount owing to corporate shareholder of a subsidiary company	(372)	(186)
Interest paid	(10,980)	(14,015)
Dividend paid	(8,000)	(5,000)
Net cash used in financing activities	(96,314)	(55,583)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(70,144)	117,603
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	191,781	77,179
EFFECT OF EXCHANGE RATE CHANGES	3,624	9
CASH AND CASH EQUIVALENTS CARRIED FORWARD	125,261	194,791
Represented by:		
Fixed deposits with a licensed bank	9,081	126,528
Cash and bank balances	116,180	68,263
	125,261	194,791

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 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 2020. 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 2020.

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 2020.

The adoption of these new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

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

MFRSs, Amendments to MFRSs and IC Interpretations		Effective Date
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
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 2020 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.

Notes to the Interim Financial Report

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

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A8. Dividends paid

- (a) The Company paid a single-tier dividend of 2.0 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2020 on 27 July 2020;
- (b) The Company paid a single-tier dividend of 2.0 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2021 on 30 November 2020.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months Ended		9 months Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
International Business Solutions				
Air Freight Forwarding Division	190,629	109,818	14,257	4,284
Ocean Freight Forwarding Division	76,156	71,850	1,110	1,118
	266,785	181,668	15,368	5,402
Domestic Business Solutions				
Contract Logistics Division	239,375	233,184	24,224	20,682
Cold Supply Chain Division	94,098	87,190	7,551	2,389
Trucking Division	50,470	59,159	(1,944)	(3,517)
	383,943	379,534	29,831	19,554
Others	-	-	(7,673)	(11,180)
Total	650,728	561,202	37,526	13,776

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 under review.

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 as at 31 December 2020 to the date of this report:

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees in favour of suppliers of its joint venture company, YLTC Sdn Bhd for supplying such goods and services on credit	5,400	5,400
Corporate guarantee in favour of a licensed bank of its joint venture company, YLTC Sdn Bhd for trade facilities	6,800	6,800
Corporate guarantee in favour of licensed banks of its subsidiary company, Gold Cold Transport Sdn Bhd for repayment of term loan to finance the land and building	34,866	40,042
	47,066	52,242



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

A14. Capital Commitment

Authorised and contracted for
- acquisition of property, plant and equipment
- acquisition of leasehold land

As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
11,762	1,869
-	25,370
11,762	27,239

A15. Related Party Disclosures

Transaction with subsidiary companies

Rental of trucks paid and payable to subsidiary companies
Labour charges paid and payable to subsidiary companies
Labour charges received and receivable from a subsidiary companies
Handling fees paid and payable to a subsidiary companies
Handling fees received and receivable from a subsidiary companies
Related logistic services paid and payable to subsidiary companies
Related logistic services received and receivable
from a subsidiary company
Rental of premises paid and payable to a subsidiary company
Rental of trucks received and receivable from subsidiary company
Interest received and receivable from subsidiary companies

9 months Ended	
31.12.2020 RM'000	31.12.2019 RM'000
230	281
23,056	26,717
168	667
1,213	4,464
1,419	6,095
302	267
2,194	2,462
2,833	2,833
1,054	1,402
491	530

Transaction with immediate holding company

Related logistic services received and receivable
Related logistic services paid and payable
Management services fee paid and payable

49,637	31,904
29,531	22,486
9,663	8,130

Transaction with related companies

Related logistic services received and receivable
Related logistic services paid and payable
IT fees paid and payable

65,191	44,344
65,338	44,093
1,916	1,438

Transaction with associated company

Accounting fee received and receivable from an associated company

14	14
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Transaction with joint venture company

Related logistic services received and receivable

2,230	2,104
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Transaction with corporate shareholder of subsidiary company

Repayment to corporate shareholder of subsidiary company
Interest paid and payable

372	186
211	351



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

B1. Performance Review : Year-to-date April 2020-December 2020 vs Year-to-date April 2019-December 2019

	9 months Ended			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	650,728	561,202	89,526	16.0%
Profit from operations	48,285	28,289	19,996	70.7%
Profit before Interest and tax	48,506	27,791	20,715	74.5%
Profit before taxation	37,526	13,776	23,750	172.4%
Profit after taxation	26,982	9,534	17,448	183.0%
Profit Attributable to Ordinary Equity Holders of the Parent	24,935	9,267	15,668	169.1%

The Group posted revenue of RM650.7 million for the financial period ended ("FPE") 31 December 2020 as against RM561.2 million, an increase of RM89.5 million (16.0 percent) year-on-year ("y-o-y"). Revenue from International Business Solutions ("IBS") increased significantly by RM85.1 million (46.9 percent) from RM181.7 million to RM266.8 million. Domestic Business Solutions ("DBS") segment recorded an increase in revenue of 1.2 percent (RM4.4 million), from RM379.5 million to RM383.9 million y-o-y.

The revenue surge in IBS segment was largely underpinned by Air Freight Forwarding ("AFF") division. A newly secured tender of an electronic customer, soaring airfreight rates due to reduced airfreight supply capacity coupled with shippers rushing to ship out urgent and backlog shipments by switching from sea mode to air mode, since the country moved from the Movement Control Order ("MCO") into the less restrictive phases of Conditional MCO and Recovery MCO, coupled with global sea container crisis particularly in third financial quarter ended 31 December 2020 ("3QFY2021"), drove revenue of AFF division to rise from RM109.8 million to RM190.6 million y-o-y, an increase of RM80.8 million (73.6 percent). Increase in AFF revenue was mainly contributed from electronic and electrical ("E&E") components manufacturers, semiconductor, generator and alternator manufacturer, business equipments, automotive parts manufacturers as well as cigarettes and tobacco customers. On the other hand, Ocean Freight Forwarding ("OFF") revenue increased from RM71.9 million to RM76.2 million, an increase of RM4.3 million (6.0 percent) y-o-y. The slowdown in global economy affected the shipment volume of OFF especially during the lockdown months of March and April 2020, causing revenue of OFF division to drop in the first quarter and second quarter of the financial year ("1QFY2021" and "2QFY2021" respectively). However, revenue drop in the first two quarters was offset by revenue surge in 3QFY2021 arising from premium market sea freight rates due to global container crisis coupled with a newly secured rubber glove customer.

Within DBS segment, revenue from Cold Supply Chain ("CSC") division remained robust by recording an increase of RM6.9 million (7.9 percent) y-o-y, from RM87.2 million to RM94.1 million. The increase was mainly contributed from new grocery-chain and pharmacy chain store customers. Surge in business activities in 3QFY2021 partially offset revenue drop in 1QFY2021 and 2QFY2021 and drove CL division to post a y-o-y increase of RM6.2 million (2.7 percent), from RM233.2 million to RM239.4 million. Within CL division except for Custom Clearance business which showed an increase in revenue of RM16.7 million (20.9 percent), from RM80.1 million to RM96.8 million, y-o-y reduction in revenue were recorded by Warehouse, In-plant and Haulage businesses. Revenue of Warehouse business dropped from RM87.8 million to RM82.0 million, a reduction of RM5.8 million (6.6 percent), largely arising from drop in revenue and business of retail and shoe apparel customers. Revenue of In-Plant business dropped by RM0.9 million (5.0 percent) and Haulage business fell RM3.9 million (8.1 percent) from RM47.6 million to RM43.8 million. Revenue of Trucking division dropped from RM59.2 million to RM50.5 million, a decrease of RM8.7 million (14.7 percent) on the back of decline in domestic deliveries particularly for E&E, Fast Moving Consumer Goods ("FMCG"), tobacco and cigarettes and telecommunication customers as well as cross-border deliveries.

Profit from operations for the year-to-date ended 31 December 2020 increased by RM20.0 million (70.7 percent) y-o-y, from RM28.3 million to RM48.3 million. Profit before taxation ("PBT") for the year-to-date ended 31 December 2020 increased from RM13.8 million to RM37.5 million, an increase of RM23.8 million (172.4 percent), and profit after tax ("PAT") for the year-to-date ended 31 December 2020 increased from RM9.5 million to RM27.0 million (183.0 percent) y-o-y.

PBT of IBS segment rose from RM5.4 million to RM15.4 million, a rise of RM10.0 million (184.5 percent). Within IBS, PBT of AFF division rose from RM4.3 million to RM14.3 million, an increase of RM10.0 million (232.8 percent) on the back of revenue surge and higher profit margins. However, the PBT from IBS was slightly offset by drop in OFF division, posting a decrease in PBT of RM0.01 million (0.7 percent). Profit margin surge of OFF business on back of revenue hike due to aforesaid reason in 3QFY2021 offset loss incurred in the earlier two quarters of the financial year. As for DBS segment, it posted an increase in PBT of RM10.3 million (52.6 percent), from RM19.6 million to RM29.8 million y-o-y. Within DBS segment, PBT of CSC division rose from RM2.4 million to RM7.6 million, an increase of RM5.2 million (216.1 percent). CL division recorded an increase in PBT by RM3.5 million (17.1 percent), from RM20.7 million to RM24.2 million. Within CL division, PBT of Warehouse business rose by RM5.7 million whereas PBT of Custom Clearance, Haulage and In-plant business reduced by RM1.1 million, 0.2 million and RM0.9 million respectively. Despite reduced revenue in Trucking division, PBT of Trucking division improved by RM1.6 million (44.7 percent), largely attributable to cost down on operating costs particularly in second quarter of the financial year.

Apart from PBT from the above operating business segment, reduction was achieved in non-operating and general expenses of RM3.5 million (31.4 percent) from Support division, largely attributable to reduced finance costs, professional fee and cost control measures, but partially offset by increase in unrealised forex loss.


B2. Comparison with Previous Year Corresponding Quarter's Results : October 2020 to December 2020 vs October 2019 to December 2019

	3 months ended			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	242,706	190,137	52,569	27.6%
Profit from operations	19,760	10,958	8,802	80.3%
Profit before Interest and tax	20,103	10,715	9,388	87.6%
Profit before taxation	16,701	6,112	10,589	173.2%
Profit after taxation	12,188	3,879	8,309	214.2%
Profit Attributable to Ordinary Equity Holders of the Parent	11,597	3,880	7,717	198.9%

The Group's revenue for 3QFY2021 was recorded at RM242.7 million, as against revenue of RM190.1 million for the previous year corresponding quarter ended 31 December 2019 ("3QFY2020"). This represents an increase of RM52.6 million (27.6 percent) q-o-q. IBS segment posted an increase of RM42.1 million (69.4 percent), from RM60.6 million to RM102.7 million while DBS segment remained robust by recording better sales result of RM10.5 million (8.1 percent), from RM129.5 million to RM140.0 million.

Within the IBS segment, AFF division posted RM36.7 million (101.8 percent) increase in revenue from RM36.3 million to RM73.3 million q-o-q. AFF revenue surge in 3QFY2021 was mainly attributable to newly secured tender business of a E&E customer, high airfreight rates due to reduced airfreight supply capacity amid Covid-19 pandemic coupled with customers switching shipments from sea mode to air mode due to global sea container crisis particularly in 3QFY2021. The increase in AFF revenue is also contributed from customers of tobacco and cigarettes, E&E, medical devices, air conditioner manufacturers, automotive parts, semiconductor and capacitors. Surging premium sea freight rates arising from global container shortage drove revenue of OFF to rise from RM24.3 million to RM29.4 million, an increase of RM5.1 million (20.9 percent) q-o-q. The increase was also underpinned by increase shipment support from solar panel, aluminium manufacturing and musical instrument customers and a newly secured rubber glove customer.

Within the DBS segment, revenue of CL division rose by RM8.6 million (10.8 percent), from RM79.5 million to RM88.1 million amid Covid-19 pandemic, compared to 3QFY2020 while CSC division posted an increase of RM2.1 million (6.9 percent) underpinned by newly secured customers and increased handling volume of existing customers under convenience retail business. Revenue increase in CL was largely contributed from Custom Clearance business as a result of increased revenue from E&E, solar panel, FMCG customers and a newly secured plastics film manufacturing customer. Revenue of Custom Clearance business rose from RM30.5 million to RM35.1 million, an increase of RM4.6 million (15.1 percent). Revenue of In-plant business rose from RM5.5 million to RM5.6 million, slight increase of RM0.1 million (2.6 percent), mainly resulting from increased production volume of E&E manufacturer. Warehouse business posted an increase in revenue by RM2.9 million (10.5 percent), from RM27.5 million to RM30.3 million q-o-q on the back of increased business from musical instruments customers. Revenue from Haulage business increased by RM1.0 million (6.1 percent), from RM16.0 million to RM17.0 million, largely contributed from solar panel and E&E customers. Revenue of Trucking division was down from RM20.1 million to RM20.0 million, a reduction of RM0.1 million (0.7 percent). Revenue reduction in Trucking business was due to drop in cross border deliveries coupled with reduced delivery shipments of existing E&E, consumers goods, telecommunication and cigarettes customers but the reduction was partly offset by revenue contributed from newly secured fast food chain store customers.

PBT for 3QFY2021 surged from RM6.1 million to RM16.7 million as against same quarter of preceding year, a significant increase of RM10.6 million (173.3 percent).

Within IBS segment, revenue surge coupled with high profit margin due to aforesaid reasons drove PBT of AFF and OFF businesses to rise against same quarter in the preceding year. PBT of AFF division rose from RM1.6 million to RM5.7 million, an increase of RM4.1 million (248.0 percent) q-o-q. On the other hand, PBT of OFF business increased by RM0.7 million (155.6 percent) from RM0.4 million to RM1.2 million.

Within the DBS segment, with higher revenue of CL and CSC divisions, PBT of CL business increased from RM7.6 million to RM11.7 million, an increase of RM4.0 million (52.8 percent), while PBT of CSC also rose from RM0.6 million to RM2.1 million, an increase of RM1.5 million (253.0 percent). Within CL business, PBT of Haulage and Warehouse business was increased by RM1.2 million (59.3 percent) and RM3.1 million (96.3 percent) respectively. However, PBT of Custom Clearance and In-plant business decreased by RM0.05 million (3.5 percent) and RM0.2 million (26.5 percent) respectively. Although Trucking division experienced a drop in revenue, it showed a better improvement in PBT result. With new distribution business of fast food chain store and cost down measure on operating costs resulted in PBT of Trucking division to improve by RM0.4 million (44.9 percent), from loss RM0.8 million to loss of RM0.4 million q-o-q.

Apart from PBT of the above operating business segments, non-operating and general expenses from Support division was slightly increased by RM0.1 million (2.6 percent), largely attributable to increase unrealised loss on forex.

PAT for 3QFY2021 rose by RM8.3 million (214.2 percent) from RM3.9 million to RM12.2 million. IBS segment recorded an increase of RM4.8 million (227.7 percent) from RM2.1 million to RM6.9 million while DBS segment recorded an increase of RM5.9 million (78.9 percent) from RM7.4 million to RM13.3 million.



B3. Comparison with Preceding Quarter's Results: October 2020 to December 2020 vs July 2020 to September 2020

	3 months ended			
	31.12.2020	30.09.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	242,706	229,457	13,249	5.8%
Profit from operations	19,760	19,201	559	2.9%
Profit before Interest and tax	20,103	19,092	1,011	5.3%
Profit before taxation	16,701	15,596	1,105	7.1%
Profit after taxation	12,188	11,388	800	7.0%
Profit Attributable to Ordinary Equity Holders of the Parent	11,597	10,702	895	8.4%

The Group's revenue of the 3QFY2021 was recorded at RM242.7 million, as against revenue of RM229.5 million for the preceding quarter ended 30 September 2020. This represents an increase of RM13.2 million (5.8 percent). IBS segment remained robust and continued to contribute higher revenue in 3QFY2021 by posting an increase of RM14.9 million (17.0 percent), from RM87.8 million to RM102.7 million. On the other hand, businesses of DBS segment saw a slight decrease in revenue of RM1.7 million (1.2 percent), from RM141.7 million to RM140.0 million as against preceding quarter.

Within the IBS segment, AFF division posted an increase in revenue from RM62.6 million to RM73.3 million, an increase of RM10.7 million (17.2 percent) against last preceding quarter. Besides continuation of the trend of preceding quarter, global sea container shortage resulting in customers to ship its cargo by air from sea mode drove AFF to record revenue hike in 3QFY2021. The increase was largely contributed from E&E, tobacco and cigarettes, semiconductor, medical devices and automotive parts customers. OFF division also posted an increase of RM4.2 million (16.6 percent) in revenue, from RM25.2 million to RM29.4 million, against preceding quarter. Premium sea freight rates arising from container shortage resulted in revenue rebound of OFF in the 3QFY2021 against last preceding quarter, largely contributed by office equipment, E&E, musical instrument customers and newly secured hypermarket/ retail and limestone manufacturer customers.

Within DBS segment, revenue of CSC business continued to sustain by posting an increase of RM1.2 million (3.9 percent), from 30.8 million to RM32.0 million against last preceding quarter. The increase was largely contributed from newly secured pharmacy chain store customer. Revenue of Trucking division rose from RM19.9 million to RM20.0 million, an increase of RM0.1 million (0.5 percent) against last preceding quarter. However, the aforesaid increase was further offset by revenue reduction of CL divisions by RM3.0 million (3.3 percent), from 91.1 million to RM88.1 million. Except for Haulage business which reported a revenue increase of RM0.2 million (1.4 percent), all businesses within CL division experienced revenue drop comparing with last preceding quarter, mainly affecting by temporary production closure of major customers due to Covid-19 cases. Revenue of Custom Clearance, Warehouse and In-plant business dropped by RM2.1 million (5.7 percent), RM0.3 million (0.9 percent) and RM0.8 million (12.9 percent) respectively.

PBT for 3QFY2021 rose from RM15.6 million to RM16.7 million as against preceding quarter, an increase of RM1.1 million (7.1 percent). IBS segment recorded an increase of RM1.4 million (25.1 percent) from RM5.5 million to RM6.9 million. DBS segment recorded an increase of RM0.8 million (6.2 percent) from RM12.5 million to RM13.3 million. The increases in PBT from operating segments of IBS and DBS were partially offset by increase in net non-operating expenses of RM1.1 million (42.7 percent) from Support segment, largely resulting from increase in realised and unrealised loss of foreign exchange.

Within IBS segment, AFF remained robust by recording an increase in PBT of RM0.6 million (11.7 percent) against preceding quarter on the back of its higher sales revenue and profit margin recorded. PBT of OFF was also greatly improved by posting an increase of RM0.8 million (196.9 percent) from RM0.4 million to RM1.2 million underpinned by increased revenue contributed from premium sea freight rates and higher profit margin against last preceding quarter.

Within the DBS segment, despite CL division experienced revenue down, PBT of CL business rose from RM9.8 million to RM11.7 million, increased by RM1.8 million (18.3 percent) against last preceding quarter. On the hand, CSC and Trucking division experienced PBT down by RM0.5 million (19.9 percent) and RM0.5 million (608.4 percent) as against last preceding quarter. Reduction in PBT of Trucking division was largely arisen from increase outsourced operating costs and fleet maintenance expenses. Within CL division, increase in PBT was mainly contributed from Haulage and Warehouse business. PBT of Custom Clearance, Haulage and Warehouse and Custom Clearance businesses rose by RM0.2 million (12.8 percent), RM1.1 million (48.7 percent) and RM1.1 million (21.5 percent) respectively. However, it was partially offset by a PBT drop of RM0.5 million (46.0 percent) in In-Plant business, compared to last preceding quarter.



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

In the latest World Economic Outlook report ("WEO") released on 26 January 2021, the International Monetary Fund ("IMF") projected the global economy to grow 5.5 percent in 2021, amid exceptional uncertainty. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. The projected growth recovery this year follows a severe collapse last year, where the global growth contraction for 2020 is estimated at -3.5 percent (0.9 percentage point higher than projected in the previous forecast, reflecting stronger-than-expected momentum in the second half of 2020). The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs, and structural characteristics entering the crisis. Nevertheless, the IMF cautions that although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. (Source: WEO dated 26 January 2021)

In Malaysia, Bank Negara Malaysia ("BNM") had in August 2020 forecasted the Malaysian economy to grow at between -3.5 and -5.5 percent (2019: 4.3 percent). The resurgence of Covid-19 cases in Malaysia and the introduction of targeted containment measures had affected the recovery momentum in the fourth quarter of 2020, and BNM in a statement on 20 January 2021 is now expecting growth for 2020 to be near the lower end of its earlier forecasted range. While near-term growth will be affected by the containment measures, BNM said the impact in 2021 will be less severe than that experienced in 2020, with growth trajectory projected to improve from the second quarter onwards. BNM states that it expects the improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures, and higher production from existing and new manufacturing and mining facilities. BNM further expects the roll-out of vaccines in the coming months will also lift sentiments. Nevertheless, BNM cautions that the overall outlook remains subject to downside risks, primarily if there is further resurgence of Covid-19 infections and delays in mass inoculation against Covid-19. (Source: BNM press release dated 20 January 2021)

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. In the current financial year, the Group has managed to perform strongly after the MCO was lifted on 4 May 2020 and replaced by the less restrictive Conditional MCO and Recovery MCO. As our customers re-started their operations after the MCO, our business volume experienced a surge resulting in a V-shape recovery from the month of June 2020 onwards, resulting in historic high revenue in the immediately preceding quarter (2Q2021), and again in the quarter under review (3Q2021). Our IBS business (in particular our AFF division) appears to be resilient in the pandemic as demands for airfreight and sea freight services outstripped industry supply resulting in significantly higher airfreight and sea freight rates. Based on the current pandemic trajectory both globally and in Malaysia, our expectation is that our IBS will be able to sustain its performance well into 2021. As for our DBS business, both Contract Logistics and CSC divisions performed strongly since the lifting of the MCO. Aside from achieving record revenue, the Group has also taken strong actions to control and reduce costs. These efforts have resulted our Group reporting significantly better results in this quarter at both top and bottom lines vis-a-vis last year corresponding quarter as well as the immediate preceding quarter. Hence, we are still cautiously confident of our financial performance for the remaining final quarter of the financial year. Nevertheless, in view of the extreme uncertainties posed by the pandemic, and new containment measures taken by the Government due to spikes in infection, it is challenging to provide a definitive forecast of how things will play out. Downside risks for the Group will continue to be the uncertainty due to the Covid-19 pandemic, as well as the challenge to keep our operational costs under control. 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	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Income tax				
- Current tax	(5,674)	(200)	(12,475)	(2,450)
- Underprovision in prior years	-	(680)	-	(680)
- Overprovision in prior years	274	12	274	12
Deferred tax				
- Current year	1,198	(1,365)	1,966	(1,124)
- underprovision in prior years	(311)	-	(309)	-
	<u>(4,513)</u>	<u>(2,233)</u>	<u>(10,544)</u>	<u>(4,242)</u>

The Group's effective tax rate for the cumulative 9 months ended 31 December 2020 was above the statutory rate is mainly due to non-deductible expenses.

B7. Corporate Proposals

Saved as below, there was no new proposal made for the current quarter under review:

On 25 Jan 2021, the Board of Directors announced that the Company proposed to undertake a proposed share split involving the subdivision of every one (1) existing ordinary share in the Company into four (4) ordinary shares ("Proposed Share Split"). The entitlement date to be determined and announced later. The Proposed Share Split is subjected to the following approvals:

- (i) Bursa Securities;
- (ii) The shareholders of the Company at an Extraordinary General Meeting to be convened; and
- (iii) Any other relevant parties/authorities, if required.

Barring any unforeseen circumstances and subject to the receipt of all the required approvals, the Board of Directors expects the Proposed Share Split to be completed by first quarter of 2021.

B8. Borrowing

	As at 3rd quarter ended 31.12.2020					
	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	-	-	-	15	-	15
Lease liabilities under MFRS 16	-	2,540	-	4,273	-	6,813
Bank loan (unsecured)	-	194,350	-	24,467	-	218,817
Bank loan (secured)	-	29,458	-	5,408	-	34,866
Amounts owing to corporate shareholder of subsidiary company	-	4,573	-	372	-	4,945
Total borrowings	-	230,921	-	34,535	-	265,456

	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	-	9,176	-	6,889	-	16,065
Bank loan (unsecured)	-	272,217	-	16,427	-	288,644
Bank loan (secured)	-	33,388	-	6,654	-	40,042
Amounts owing to corporate shareholder of subsidiary company	-	4,945	-	372	-	5,317
Total borrowings	-	319,752	-	30,655	-	350,407

The above secured bank loan are secured by legal charge over the freehold land, buildings and warehouse of a subsidiary company and are guaranteed by the Company.

B9. Litigation

There was no material litigation pending since 31 December 2020 to the date of this report.

B10. Dividend Proposed

No interim dividend was proposed or declared (2020: Nil) in the current quarter under review.

B11. Earnings Per Share

	3 months ended		Cumulative 9 months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
PAT after non-controlling interest (RM'000)	11,597	3,880	24,935	9,267
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Earnings per share (sen)	5.80	1.94	12.47	4.63

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2020. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

As at 31 December 2020, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount as at		Fair value		Purpose
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	
1. Cross currency swap Contracts: - More than 3 years	-	-	-	-	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	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Profit for the period is arrived at after crediting:				
Interest income	196	1,279	1,070	2,877
Other income	326	1,059	1,309	2,669
Gain on disposal of land and building	-	-	-	-
Gain on disposal of property, plant and equipment	82	368	369	386
Allowance for doubtful debts no longer required	-	-	818	-
Realised foreign exchange gain	(464)	-	(11)	526
Unrealised foreign exchange gain	16	-	1,193	-
and after charging:				
Interest expenses	3,402	4,709	10,980	14,344
Property, plant and equipment written off	-	-	-	5
Depreciation of property, plant and equipment	7,428	7,868	21,445	24,066
Depreciation of right-of use assets	2,268	1,921	7,022	5,704
Provision for doubtful debt	176	(10)	314	89
Provision for/write off inventories	-	-	-	-
Realised foreign exchange loss	13	-	154	-
Unrealised foreign exchange loss	2,562	864	5,813	1,094
Loss on derecognition of subsidiary	-	-	825	-
Loss on disposal of other investment	2	-	13	-

There were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 31 December 2020 (31 December 2019: Nil).