

TASCO Berhad
Registration No: 197401003124 (20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 June 2021

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-June-2021

	Quarter and Year-to-Date Ended	
	30.06.2021	30.06.2020
	RM'000 Unaudited	RM'000 Unaudited
Revenue	290,050	178,565
Cost of sales	(249,408)	(153,932)
Gross profit	40,642	24,633
Other income	1,408	3,324
Administrative and general expenses	(17,640)	(18,633)
Profit from operations	24,410	9,324
Finance costs	(3,318)	(4,082)
Share of results of associated company and joint venture	282	(13)
Profit before taxation	21,374	5,229
Tax expense	(5,199)	(1,823)
Profit for the period	16,175	3,406
Profit Attributable to:		
Owners of the Company	15,766	2,636
Non-Controlling Interest	409	770
	16,175	3,406
Earnings per share (sen) - basic	1.97	0.33*

* For comparative purpose, the earning per share for the quarter and year-to-date ended 30 June 2020 has been restated to reflect the share split of 4 shares for every 1 existing ordinary shares which was completed on 12 March 2021.

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 30-June-2021**

Profit for the period

Other Comprehensive Income:

Exchange differences on translation foreign operation

Fair Value adjustment on cash flow hedge

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

Total Comprehensive Income

Total Comprehensive Income attributable to:

Owners of the Company

Non-Controlling Interest

Cumulative Ended	
30.06.2021	30.06.2020
RM'000 Unaudited	RM'000 Unaudited
16,175	3,406
=====	=====
-	644
-	-
-----	-----
-	644
-----	-----
16,175	4,050
=====	=====
15,766	3,280
409	770
-----	-----
16,175	4,050
=====	=====

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2021

	As at 30.06.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	509,914	515,402
Right-of-use assets	33,948	19,524
Goodwill	81,864	81,864
Investment in associated company	3,295	3,197
Investment in joint venture companies	14,165	3,432
Other assets	962	924
Deferred Tax assets	-	7
Total non-current assets	644,148	624,350
Current assets		
Trade receivables	166,934	169,447
Other receivables, deposits and prepayments	27,741	20,785
Amount owing by immediate holding company	6,250	6,761
Amounts owing by related companies	18,473	22,313
Amounts owing by associated company	50	50
Amount owing by a joint venture company	267	447
Current tax asset	274	497
Short term investments	5,462	5,438
Fixed deposits with licensed banks	1,134	33,105
Cash and bank balances	93,921	77,833
Total current assets	320,506	336,676
TOTAL ASSETS	964,654	961,026

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-June-2021

	As at 30.06.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
EQUITY AND LIABILITIES		
Equity		
Share capital	100,801	100,801
Revaluation reserve	1,400	1,400
Fair value reserve	(64)	(64)
Retained profits	373,229	367,463
Equity attributable to owners of the Company	475,366	469,600
Non-controlling interests	67,381	66,972
Total equity	542,747	536,572
Non-current liabilities		
Amounts owing to corporate shareholder of subsidiary company	4,387	4,573
Lease liabilities	21,061	10,705
Bank term loans	166,088	216,601
Deferred tax liabilities	22,456	22,882
Total non-current liabilities	213,992	254,761
Current liabilities		
Trade payables	64,286	65,669
Other payables, deposits and accruals	38,320	42,217
Amount owing to immediate holding company	3,049	2,663
Amounts owing to related companies	10,585	16,502
Lease liabilities	13,161	9,017
Bank term loans	73,208	29,875
Amounts owing to corporate shareholder of subsidiary company	372	479
Current tax liabilities	4,934	3,271
Total current liabilities	207,915	169,693
Total liabilities	421,907	424,454
TOTAL EQUITY AND LIABILITIES	964,654	961,026
Net Assets per share (RM)	0.59	0.59

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-June-2021

	----- 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 2020	100,801	1,400	-	(644)	(64)	334,189	435,682	64,577	500,259
Total comprehensive income for the period	-	-	-	644	-	2,636	3,280	770	4,050
Dividend declared on 18 June 2020	-	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Balance at 30 Jun 2020	100,801	1,400	-	-	(64)	332,826	434,963	65,347	500,310
Balance at 1 April 2021	100,801	1,400	-	-	(64)	367,463	469,600	66,972	536,572
Total comprehensive income for the period	-	-	-	-	-	15,766	15,766	409	16,175
Dividend paid on 03 June 2021	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Balance at 30 Jun 2021	100,801	1,400	-	-	(64)	373,229	475,366	67,381	542,747

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-June-2021

	Year-To-Date Ended	
	30.06.2021 RM'000 Unaudited	30.06.2020 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,374	5,229
Adjustments for:		
Allowance for doubtful debts	12	-
Depreciation of property, plant and equipment	7,148	7,173
Amortisation of right-of-use assets	3,716	2,473
Loss on disposal of property, plant and equipment	282	-
Loss on derecognition of subsidiary	-	825
Fair value gain on short term investments	(24)	(36)
Share of profits of associated company, and joint venture net of tax	(282)	13
Interest income	(195)	(593)
Interest expense	3,318	4,082
Unrealised (gain) / loss on foreign exchange	129	(69)
Operating profit before working capital changes	35,478	19,097
Changes in receivables	(52)	(48,208)
Changes in payables	(10,800)	3,857
Cash generated from / (used in) operations	24,626	(25,254)
Interest received	-	-
Net Tax paid	(3,730)	(2,981)
Net Cash generated from / (used in) operating activities	20,896	(28,235)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,025)	(918)
Proceeds from disposal of property, plant and equipment	67	-
Net cash outflow of derecognition of subsidiary	-	(45)
Investment in joint venture company	(10,550)	-
Purchase of other investment	(38)	-
Interest received	195	593
Net cash used in investing activities	(12,350)	(370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(7,180)	(55,035)
Payment of hire purchase and finance lease liabilities	-	(79)
Interest paid	(3,424)	(4,082)
Payment of lease liabilities	(3,639)	(2,473)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(186)	(301)
Dividend paid	(10,000)	-
Net cash used in financing activities	(24,429)	(61,970)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,883)	(90,575)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	110,938	191,781
EFFECT OF EXCHANGE RATE CHANGES	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	95,055	101,206
Represented by:		
Fixed deposits with a licensed bank	1,134	33,278
Cash and bank balances	93,921	67,928
	95,055	101,206

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021. 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 2021.

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 2021.

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 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
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	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 2021 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.

Explanatory Notes In Compliance With Malaysian Financial Reporting Standards 134 ("MFRS 134") Interim Financial Reporting
A8. Dividends paid

On 03 May 2021, the Board of Directors declared a single-tier dividend of 1.25 sen per ordinary share amounting to RM10,000,000 in respect of financial year ended 31 March 2021. The dividend was paid on 03 June 2021 in the current quarter under review.

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	3 months ended		3 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
International Business Solutions				
Air Freight Forwarding Division	75,344	54,724	6,235	3,394
Ocean Freight Forwarding Division	47,763	21,636	2,313	(470)
	123,107	76,360	8,548	2,924
Domestic Business Solutions				
Contract Logistics Division	116,264	60,212	13,099	2,674
Cold Supply Chain Division	32,036	31,377	1,722	2,886
Trucking Division	18,643	10,616	(400)	(1,598)
	166,943	102,205	14,420	3,962
Others	-	-	(1,594)	(1,657)
Total	290,050	178,565	21,374	5,229

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

Saved as below, there were no changes in the composition of the Group in the current quarter under review:

On 21 April 2021, TASCO Yusen Gold Cold Sdn Bhd, a 70% owned subsidiary of TASCO Bhd ("TYGC") entered into a conditional Share Sale Agreement ("SSA") for the acquisition of 1,285,000 ordinary shares in Hypercold Logistics Sdn Bhd ("Hypercold"), representing 50% equity interest in Hypercold, for cash consideration of RM10,550,000 and this acquisition was completed on 16 June 2021. The Company regards Hypercold as a joint venture company to the Group.

A13. Contingent Assets and Liabilities

Except for below items, there were no material contingent assets and liabilities since 30 June 2021 to the date of this report:

	As at 30.06.2021 RM'000	As at 30.06.2020 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	7,150	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	32,713	37,266
	45,263	49,466

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 30.06.2021 RM'000	As at 30.06.2020 RM'000
23,050	-
-	25,370
23,050	25,370

A15. Significant Related Party Transactions**Transaction with subsidiary companies**

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

3 months ended	
30.06.2021 RM'000	30.06.2020 RM'000
75	77
10,533	8,173
63	117
53	183
122	337
643	130
596	522
1,268	965
426	-
365	477
267	176

Transaction with immediate holding company

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

18,164	20,607
10,353	8,248
4,424	4,424
53	798

Transaction with related companies

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

36,272	31,444
38,784	32,746
591	-

Transaction with associated company

Rental of premises paid
Accounting fee paid to an associated company

188	-
-	5

Transaction with joint venture company

Related logistic services received and receivable

175	761
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Transaction with corporate shareholder of subsidiary company

Repayment to corporate shareholder of subsidiary company
Interest paid and payable

186	186
66	71



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

B1. Performance Review : Year-to-date April 2021-June 2021 vs Year-to-date April 2020-June 2020

	3 months ended			
	30.06.2021	30.06.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	290,050	178,565	111,485	62.4%
Profit from operations	24,410	9,324	15,086	161.8%
Profit before Interest and tax	24,692	9,311	15,381	165.2%
Profit before taxation	21,374	5,229	16,145	308.8%
Profit after taxation	16,175	3,406	12,769	374.9%
Profit Attributable to Ordinary Equity Holders of the Parent	15,766	2,636	13,130	498.1%

The Group achieved revenue of RM290.1 million for the financial period ended ("FPE") 30 June 2021 as against RM178.6 million a year earlier, an increase of RM111.5 million (62.4 per cent) year-on-year ("y-o-y"). Both International Business Solutions ("IBS") and Domestic Business Solutions ("DBS") segments recorded y-o-y uplifted revenues, reflecting the broad-based recovery of business activities amidst the Covid19 pandemic. Revenue from IBS showed a y-o-y increase of RM46.7 million (61.2 per cent) from RM76.4 million to RM123.1 million. DBS segment remained robust to record a 63.3 per cent (RM64.7 million) y-o-y increase in revenue from RM102.2 million to RM166.9 million.

Revenue rise in IBS segment was largely contributed from Ocean Freight Forwarding ("OFF") division. Premium market sea freight rates driven by demand and supply of vessel space and containers coupled with newly secured rubber glove and solar energy customers pushed OFF revenue to soar by RM26.1 million (120.8 per cent), from RM21.6 million to RM47.8 million y-o-y. In addition, increase in business volume of existing cigarettes, aluminium and aerospace customers also contributed to the escalated revenue of OFF division. Air Freight Forwarding ("AFF") division also posted an increase of RM20.6 million (37.7 per cent), from RM54.7 million to RM75.3 million. It was mainly underpinned by market high airfreight rates and increased volume contribution by semiconductor, capacitor, tobacco and cigarettes, business equipment, synthetic resin and automotive customers.

In the DBS segment, Contract Logistics ("CL") division performed strongly to contribute y-o-y increase in revenue of RM56.1 million (93.1 per cent), from RM60.2 million to RM116.3 million. The Cold Supply Chain ("CSC") division continued to contribute consistent revenue to DBS segment by posting a marginal increase of RM0.7 million (2.1 per cent), due particularly to ice-cream and poultry & meat businesses. Newly secured food manufacturing customer coupled with increased cargo and shipments volume of existing E&E, solar panel, musical instrument, semiconductor, flooring/timber products and consumer retail customers helped to push all businesses of CL division to record y-o-y surge in revenue. Custom clearance business was the largest revenue contributor to CL division, with an increase in revenue of RM32.0 million (130.8 per cent), from RM24.5 million to RM56.5 million. Revenue of haulage business rose by 87.9 per cent (RM8.8 million). Revenue of warehouse business surged from RM21.0 million to RM34.7 million, an increase of RM13.7 million (65.0 per cent). Increase in warehouse revenue was also attributable to increased space utilisation as Covid19 pandemic prompted many manufacturers to source additional warehouse space as contingency plan and for higher buffer stock. Revenue of in-plant business rose by RM1.6 million (34.2 per cent). Increase in new customers in beverage, healthcare, E&E and fast food chain coupled with increased deliveries of existing E&E, consumer retail, automotive as well as cross-border Thailand and Singapore trucking deliveries resulted in revenue of Trucking division to rise from RM10.6 million to RM18.6 million, an increase of RM8.0 million (75.6 per cent) y-o-y.

Profit from operations for the year-to-date ended 30 June 2021 soared by RM15.1 million (161.8 per cent) from RM9.3 million to RM24.4 million y-o-y. Profit before taxation ("PBT") for the year-to-date ended 30 June 2021 increased from RM5.2 million to RM21.4 million, an increase of RM16.1 million (308.8 per cent), and profit after tax ("PAT") for the period to-date went up from RM3.4 million to RM16.2 million which is an increase of RM12.8 million (374.9 per cent) y-o-y.

With an increase in revenue in IBS & DBS segments, PBT of IBS segment went up by 192.5 per cent (RM5.6 million), from RM2.9 million to RM8.5 million while PBT of DBS segment rose from RM4.0 million to RM14.4 million, an increase of RM10.4 million (263.9 per cent) y-o-y.

Within IBS, AFF division contributed increased PBT of RM2.8 million (83.7 per cent) from RM3.4 million to RM6.2 million. OFF division posted a sharp increase in PBT by RM2.8 million (591.4 per cent) from loss RM0.5 million to profit of RM2.3 million on the back of revenue surge and higher profit margin on long haul shipments. PBT of DBS was largely contributed from CL division and Trucking division. PBT of CL division was sharply uplifted by RM10.4 million (389.8 per cent), from RM2.7 million to RM13.1 million y-o-y. Trucking division posted improved bottom line by RM1.2 million (74.9 per cent) on the back of increased revenue and deliveries. However, the PBT was partly offset by PBT drop in CSC division from RM2.9 million to RM1.7 million, drop by RM1.2 million (40.3 per cent), mainly attributable to increased non-operating expenses of loss on disposal of PPE and reduced other income and interest received from short-term placement with banks.


B2. Comparison with Preceding Quarter's Results: April 2021 to June 2021 vs January 2021 to March 2021

	3 months ended			
	30.06.2021	31.03.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	290,050	295,884	(5,834)	-2.0%
Profit from operations	24,410	26,509	(2,099)	-7.9%
Profit before Interest and tax	24,692	26,580	(1,888)	-7.1%
Profit before taxation	21,374	23,163	(1,789)	-7.7%
Profit after taxation	16,175	16,687	(512)	-3.1%
Profit Attributable to Ordinary Equity Holders of the Parent	15,766	16,339	(573)	-3.5%

The Group's revenue of the first quarter ended 30 June 2021 ("Q1FY2022") was registered at RM290.1 million, as against revenue of RM295.9 million of the preceding quarter ended 31 March 2021. This represents a decrease of RM5.8 million (2.0 per cent). IBS segment posted a decrease of RM16.5 million (11.8 per cent) while DBS segment remained strong to record better sales result by RM10.6 million (6.8 per cent) as against preceding quarter.

Within the IBS segment, reduction in spot shipments and temporary closure of business and production of a few major customers due to spiking Covid19 cases in Q1FY2022 caused revenue of AFF division to decline from RM97.9 million to RM75.3 million, a decrease of RM22.6 million (23.1 per cent) as against preceding quarter. The reduction in AFF revenue was largely impacted from electronic parts manufacturing, resin, business equipment, tobacco and cigarettes, fiber and aerospace customers. However, the reduction was partly cushioned by OFF division. With the contribution from increased shipments from rubber glove, tobacco and cigarettes, solar panel, aluminium and furniture customers, OFF division posted an increase in revenue of RM6.2 million (14.8 per cent), from RM41.6 million to RM47.8 million.

Within DBS segment, Contract Logistics ("CL") division remained resilient by posting an increase of RM13.2 million (12.8 per cent) while CSC business remained consistent by recording a slight increase of RM0.1 million (0.4 per cent) against preceding quarter. However, it was partially offset by reduction in revenue of Trucking division by RM2.7 million (12.5 per cent). Within CL division, custom clearance business reported revenue surge of RM10.7 million (23.5 per cent) while revenue of haulage business rose by RM0.7 million (3.8 per cent) against preceding quarter. The increases in custom clearance and haulage businesses were attributable to increased shipments from solar panel, E&E and a newly-secured food manufacturing customers. Increase in warehousing business in E&E, musical instrument, solar panels and FMCG customers pushed warehouse division to reported higher revenue of RM1.9 million (5.8 per cent). In-plant division experienced business drop especially in existing E&E customers; however the revenue was partially offset against revenue of a newly-secured food manufacturing customer. CSC division showed revenue increases in fast food chain and poultry customers but it was further offset by revenue drop in ice-cream and retail businesses comparing to preceding quarter. Revenue drop in Trucking division was resulted from reduced deliveries and volume mainly from E&E, electronics parts and chemical customers.

PBT for Q1FY2022 decreased from RM23.2 million to RM21.4 million as against preceding quarter, a decrease of RM1.8 million (7.7 per cent). IBS segment recorded a decrease of RM1.7 million (16.7 per cent) from RM10.3 million to RM8.5 million. DBS segment recorded an increase of RM1.9 million (15.6 per cent) from RM12.5 million to RM14.4 million.

Within IBS segment, PBT of AFF division was down by RM2.1 million (25.1 per cent), from RM8.3 million to RM6.2 million as a result of declined revenue against preceding quarter, whereas OFF division recorded an increase in PBT of RM0.4 million (19.7 per cent), from RM1.9 million to RM2.3 million.

Within DBS segment, increase in PBT was largely contributed by CL division with an increase of RM2.9 million (28.4 per cent), from RM10.2 million to RM13.1 million. Within CL division, PBT of warehouse, custom clearance and haulage businesses spiked up by RM1.6 million (30.5 per cent), RM0.9 million (74.3 per cent) and RM0.6 million (21.8 per cent) respectively while in-plant business recorded 21.3 per cent (RM0.2 million) drop in PBT. However, the increase was partially offset by PBT drop in CSC and Trucking divisions. PBT of CSC division was down from RM2.3 million to RM1.7 million, a decline of RM0.6 million (27.3 per cent), mainly attributable to increase in non-operating expenses resulting from loss on disposal of PPE. Decline in revenue caused bottom line of Trucking division to reduced by RM0.3 million (34.2 per cent).

Apart from PBT generated from operating business segments, increase in net non-operating expenses from Support segment largely attributable to realised and unrealised loss on forex partially offset PBT of the Company against the preceding quarter.



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

In the latest World Economic Outlook report ("WEO") released on 27 July 2021, the International Monetary Fund ("IMF") projected the global economy to grow at 6 percent in 2021, and moderating to 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. Nonetheless, the IMF opines that the risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline. (Source: WEO dated 27 July 2021)

In Malaysia, Bank Negara Malaysia ("BNM") had on 8 July 2021 kept the overnight policy rate unchanged at 1.75 percent. In its press release, BNM stated that following better-than-expected GDP in the first quarter of 2021, high-frequency indicators suggested that the recovery will carry on in the second quarter for the Malaysian economy. However, the re-imposition of nation-wide containment measures from 1 June 2021 to curb the resurgence in COVID-19 cases are bound to dampen the growth momentum. The degree of impact to the economy is highly dependent on the stringency and duration of containment measures. Nonetheless, continued allowances for essential economic sectors to operate and higher adaptability to remote work will mitigate the impact of restrictions. Going forward, the gradual relaxation of containment measures, alongside the rapid progress of the domestic vaccination programme and continued strength in external demand will provide support for the growth recovery. The growth outlook, however, remains subject to significant downside risks, due mainly to factors that could lead to a delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery. BNM's press release did not include any forward guidance from its previous forecast of between 6.0 to 7.5 percent growth in 2021 for the Malaysian economy. The World Bank has, however, recently lowered its 2021 GDP growth projection for Malaysia to 4.5 percent from its March 2021 estimate of 6.0 percent after taking into account the rise in Covid-19 infections and a slower-than-expected vaccine rollout. Since then, the nation's vaccination program has successfully moved to an accelerated pace after an initial slow rollout. (Source: BNM's Monetary Policy Statement dated 8 July 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. One and a half years into the pandemic, the COVID-19 pandemic has continue to plague the global as well as the domestic economy. Due to the escalation of positive cases in recent months, our government has taken the drastic step to once again impose a full lockdown from 1 June 2021, whereby businesses were not allowed to operate except for essential goods and services. Nevertheless, E&E and other export-oriented industries were deemed as essential during this period, and hence the impact to our logistics business from this lockdown thus far has been quite minimal. Our DBS segment (especially our CL and CSC) has remained to be resilient in its performance so far, continuing its good performance from the last two quarters of the previous FY. In particular our CL division has benefited from the rebound in the economic activities as well as change in certain industries' behaviour to maintain higher buffer stock level in order to mitigate the possibility of raw material shortages due to uncertainty caused by the pandemic. Our IBS business has also thus far remained to be resilient during the pandemic, posting good results for both our AFF and OFF divisions for the quarter under review. Demands for both airfreight and sea freight services continue to outstrip supply due to reduced industry capacity as well as container shortages and backlogs, resulting in significantly higher airfreight and container freight rates. Going forward, based on the economic activity and outlook as well as the accelerated rollout of the vaccination program in Malaysia, barring any unforeseen surprises, we are cautiously confident of the performance of the Group for the remaining period to the end of the FY. Nonetheless, in view of the extreme uncertainties posed by the pandemic, it is challenging to provide a definitive forecast. Downside risks for the Group will continue to be the risks posed by the COVID-19 pandemic, especially in view of new emerging mutant strains and the recent rising number of positive cases in Malaysia as well as in many countries worldwide. Other downside risks will be the challenge to keep our operational costs under control, including direct costs as well as other general operational overheads. 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. In that respect, we are strategizing to leverage on our ILS tax incentive granted by the government in order to increase our logistics capacity in the near term. We will make the necessary announcements at the appropriate time in the event of any development in this area of focus.

B4. Profit Forecast

Not applicable as there is no forecast or profit guarantee.

B5. Tax Expense

	Quarter and Year-to-Date Ended	
	30.06.2021 RM'000	30.06.2020 RM'000
Income tax		
- Current tax	(5,618)	(2,226)
- overprovision in prior years	-	-
Deferred tax		
- Current year	419	402
- Overprovision in prior years	-	2
	<u>(5,199)</u>	<u>(1,823)</u>

The Group's effective tax rate for the cumulative 3 months ended 30 June 2021 was about the statutory rate of 24% for the current quarter under review.

B6. Corporate Proposals

Proposal of entering into a conditional Share Sale Agreement for the acquisition of 1,285,000 ordinary shares in Hypercold Logistics Sdn Bhd ("Hypercold"), representing 50% equity interest in Hypercold, for cash consideration of RM10,550,000 ("Proposed Hypercold Acquisition") by Yusen Gold Cold Sdn Bhd, a 70% owned subsidiary of TASCO Bhd ("TYGC") on 21 April 2021 was completed on 16 June 2021. Saved as the above, there was no new proposal made for the quarter under review.

B7. Borrowing

As at 1st quarter ended 30.06.2021					
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	-	-	-	-	-
Lease liabilities under MFRS 16	21,061	-	13,161	-	34,222
Bank loan (unsecured)	138,783	-	67,800	-	206,583
Bank loan (secured)	27,305	-	5,408	-	32,713
Revolving credit facilities	-	-	-	-	-
Amounts owing to corporate shareholder of subsidiary company	4,387	-	372	-	4,759
Total borrowings	191,536	-	86,741	-	278,277

As at 1st quarter ended 30.06.2020					
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 liabilities	-	-	149	-	149
Lease liabilities under MFRS 16	3,148	-	7,699	-	10,847
Bank loan (unsecured)	213,384	-	17,666	-	231,050
Bank loan (secured)	31,851	-	5,415	-	37,266
Amounts owing to corporate shareholder of subsidiary company	4,759	-	372	-	5,131
Total borrowings	253,142	-	31,301	-	284,443

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.

B8. Litigation

There was no material litigation pending since 30 June 2021 to the date of this report.

B9. Dividend Proposed

On 03 May 2021, the Board of Directors declared a single-tier dividend of 1.25 sen per ordinary share amounting to RM10,000,000 in respect of financial year ended 31 March 2021. The dividend was paid on 03 June 2021 in the current quarter under review.

**B10. Earnings Per Share**

	Quarter and Year-to-Date Ended	
	30.06.2021	30.06.2020
PAT after non-controlling interest (RM'000)	15,766	2,636
Weighted average number of ordinary shares in issue ('000)	800,000	800,000
Earnings per share (sen)	1.97	0.33*

* For comparative purpose, the earning per share for the quarter and year ended 31 March 2020 has been restated to reflect the share split of 4 shares for every 1 existing ordinary shares which was completed on 12 March 2021.

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2021. Accordingly, no diluted earnings per share is presented.

B11. Derivative Financial Instruments

There is no derivative financial instrument for the Group as at 30 June 2021 and 30 June 2020.

For the current quarter under review, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objective, policies and processes since the previous financial year end.

B12. Profit for the period

	Quarter and Year-to-Date Ended	
	30.06.2021 RM'000	30.06.2020 RM'000
Profit for the period is arrived at after crediting:		
Interest income	195	593
Other income	247	1,911
Realised foreign exchange gain	-	751
Unrealised foreign exchange gain	966	69
and after charging:		
Interest expenses	3,318	4,082
Depreciation of property, plant and equipment	7,148	7,173
Amortisation of right-of-use assets	3,716	2,473
Loss on disposal of property, plant and equipment	282	-
Provision for doubtful debt	12	-
Realised foreign exchange loss	325	-
Unrealised foreign exchange loss	1,095	-
Loss on derecognition of subsidiary	-	825

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 derivatives or exceptional item for current quarter and financial period ended 30 June 2021.