

TASCO Berhad
Company No: 197401003124 (20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2021

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-December-2021

	3 months ended		Cumulative 9 months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	455,087	242,706	1,060,652	650,728
Cost of sales	(402,811)	(204,235)	(925,530)	(551,129)
Gross profit	52,276	38,471	135,122	99,599
Other income	3,150	156	6,710	4,748
Administrative and general expenses	(22,190)	(18,166)	(53,076)	(48,943)
Other Expenses	(17,910)	(701)	(21,840)	(7,119)
Profit from operations	15,326	19,760	66,916	48,285
Finance costs	(3,248)	(3,402)	(9,977)	(10,980)
Share of results of associated company and joint venture	388	343	834	221
Profit before taxation	12,466	16,701	57,773	37,526
Tax expense	(2,845)	(4,513)	(15,752)	(10,544)
Profit for the period	9,621	12,188	42,021	26,982
Profit Attributable to:				
Owners of the Company	8,813	11,597	40,266	24,935
Non-Controlling Interest	808	591	1,755	2,047
	9,621	12,188	42,021	26,982
Earnings per share (sen) - basic	1.10	1.45*	5.03	3.12*

* For comparative purpose, the earning per share for the period ended 31 December 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 31-December-2021**

	3 months ended		Cumulative 9 months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	9,621	12,188	42,021	26,982
Other Comprehensive Income:				
Exchange differences on translation foreign operation	-	-	-	644
Fair Value adjustment on cash flow hedge	-	-	-	-
Other comprehensive income/(Loss) for the period, net of tax	-	-	-	644
Total Comprehensive Income	9,621	12,188	42,021	27,626
Total Comprehensive Income attributable to:				
Owners of the Company	8,813	11,597	40,266	25,579
Non-Controlling Interest	808	591	1,755	2,047
	9,621	12,188	42,021	27,626

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 31-December-2021

	As at 31.12.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	499,052	515,402
Right-of-use assets	28,110	19,524
Goodwill	81,864	81,864
Investment in associated company	3,491	3,197
Investment in joint venture companies	13,842	3,432
Other assets	962	924
Deferred Tax assets	-	7
Total non-current assets	627,321	624,350
Current assets		
Trade receivables	260,634	169,447
Contract Asset	219,819	-
Other receivables, deposits and prepayments	30,628	20,785
Amount owing by immediate holding company	10,173	6,761
Amounts owing by related companies	41,576	22,313
Amounts owing by associated company	50	50
Amount owing by a joint venture company	32	447
Current tax asset	322	497
Short term investments	3,504	5,438
Fixed deposits with licensed banks	1,145	33,105
Cash and bank balances	99,016	77,833
Total current assets	666,899	336,676
TOTAL ASSETS	1,294,220	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 31-December-2021

	As at 31.12.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
EQUITY AND LIABILITIES		
Equity		
Share capital	100,801	100,801
Revaluation reserve	1,401	1,401
Fair value reserve	(65)	(65)
Retained profits	389,729	367,463
Equity attributable to owners of the Company	491,866	469,600
Non-controlling interest	67,377	66,972
Total equity	559,243	536,572
Non-current liabilities		
Amount owing to corporate shareholder of subsidiary company	4,201	4,573
Hire purchase payables	849	-
Lease liabilities	14,880	10,705
Bank term loans	195,040	216,601
Deferred tax liabilities	22,518	22,882
Total non-current liabilities	237,488	254,761
Current liabilities		
Trade payables	360,900	65,669
Other payables, deposits and accruals	55,498	42,218
Amount owing to immediate holding company	4,485	2,663
Amounts owing to related companies	26,131	16,502
Amounts owing to associated company	627	-
Hire purchase payables	532	-
Lease liabilities	13,706	9,017
Bank term loans	29,875	29,874
Amounts owing to corporate shareholder of subsidiary company	372	479
Current tax liabilities	5,363	3,271
Total current liabilities	497,489	169,693
Total liabilities	734,977	424,454
TOTAL EQUITY AND LIABILITIES	1,294,220	961,026
Net Assets per share (RM)	0.61	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 31-December-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 --			
	Share capital	Revaluation reserve	Hedge reserve	Exchange translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 April 2020	100,801	1,401	-	(644)	(65)	334,189	435,682	64,577
Total comprehensive income for the period	-	-	-	644	-	24,935	25,579	2,047
Dividend paid (Note A8)	-	-	-	-	-	(8,000)	(8,000)	-
Balance at 31 Dec 2020	100,801	1,401	-	-	(65)	351,124	453,261	66,624
	=====	=====	=====	=====	=====	=====	=====	=====
Balance at 1 April 2021	100,801	1,401	-	-	(65)	367,463	469,600	66,972
Total comprehensive income for the period	-	-	-	-	-	40,266	40,266	1,755
Dividend paid (Note A8)	-	-	-	-	-	(18,000)	(18,000)	(1,350)
Balance at 31 Dec 2021	100,801	1,401	-	-	(65)	389,729	491,866	67,377
	=====	=====	=====	=====	=====	=====	=====	=====

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 31-December-2021

	Year-To-Date Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	57,773	37,526
Adjustments for:		
Allowance for doubtful debts	303	314
Allowance for doubtful debts no longer required	(16)	(818)
Depreciation of property, plant and equipment	21,646	21,445
Depreciation of right-of-use assets	11,012	7,022
Loss/(Gain) on disposal of property, plant and equipment	22	(369)
Loss on derecognition of subsidiary	-	825
Fair value gain on investment fund	(67)	(85)
Property, plant and equipment written off	15,923	-
Share of result of associated and joint venture companies, net of tax	(834)	(221)
Interest income	(631)	(1,070)
Dividend income	(37)	-
Interest expense	9,977	10,980
Loss on disposal of others investment	-	13
Unrealised (gain) / loss on foreign exchange	1,227	4,620
Operating profit before working capital changes	116,298	80,182
Changes in receivables	(344,884)	(37,965)
Changes in payables	320,742	26,180
Cash generated from operations	92,156	68,397
Net Tax paid	(13,841)	(8,292)
Net Cash generated from operating activities	78,315	60,105
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,150)	(30,109)
Proceeds from disposal of property, plant and equipment	400	498
Net cash outflow of derecognition of subsidiary	-	(45)
Withdrawal/(Placement) in short term investments	2,001	(5,415)
Investment in joint venture company	(10,550)	-
Purchase of other investment	(38)	-
Proceeds from disposal of other investment	-	66
Repayment from/(advances to) investment in a joint venture	680	-
Interest received	631	1,070
Dividend received from other investment	37	-
Net cash used in investing activities	(26,989)	(33,935)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(21,561)	(69,668)
Payment of hire purchase	(110)	(214)
Interest paid	(9,977)	(10,980)
Payment of lease liabilities	(10,733)	(7,080)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(372)	(372)
Dividend paid	(19,350)	(8,000)
Net cash used in financing activities	(62,103)	(96,314)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,777)	(70,144)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	110,938	191,781
EFFECT OF EXCHANGE RATE CHANGES	-	3,624
CASH AND CASH EQUIVALENTS CARRIED FORWARD	100,161	125,261
Represented by:		
Fixed deposits with a licensed bank	1,145	9,081
Cash and bank balances	99,016	116,180
	100,161	125,261

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 Cycle	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 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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.

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

The following dividends were paid during the current and previous corresponding financial periods ended:

Interim /final dividend

Final dividend in respect of the financial year ended 31 March 2020
- 2.0 sen single-tier dividend per ordinary share, paid on 27 July 2020

Interim dividend in respect of the financial year ended 31 March 2021
- 2.0 sen single-tier dividend per ordinary share, paid on 30 November 2020

Final dividend in respect of the financial year ended 31 March 2021
- 1.25 sen single-tier dividend per ordinary share paid on 03 June 2021

Interim dividend in respect of the financial year ended 31 March 2022
- 1.0 sen single-tier dividend per ordinary share, paid on 12 November 2021

As at 31.12.2021	As at 31.12.2020
RM'000	RM'000
-	4,000
-	4,000
10,000	-
8,000	-
18,000	8,000

A9. Segmental Reporting**International Business Solutions**

Air Freight Forwarding Division
Ocean Freight Forwarding Division

Domestic Business Solutions

Contract Logistics Division
Cold Supply Chain Division
Trucking Division

Others

Total

Segmental Revenue		Segmental Result (PBT)	
9 months ended		9 months ended	
31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
362,842	190,629	30,928	14,257
212,176	76,156	9,362	1,110
575,018	266,785	40,290	15,368
324,022	239,375	36,192	24,224
100,530	94,098	6,623	7,551
61,082	50,470	175	(1,944)
485,635	383,943	42,989	29,831
-	-	(25,506)	(7,673)
1,060,652	650,728	57,773	37,526

A10. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment under current period review. As at 31 December 2021, all property, plant and equipment were stated at cost less accumulated depreciation.

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.

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

Except for below items, there were no material contingent assets and liabilities since 31 December 2021 to the date of this report:

	As at 31.12.2021 RM'000	As at 31.12.2020 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	30,565	34,866
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods	13,000	-
	56,115	47,066

A14. Capital Commitment

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	14,580	11,762
- construction of warehouse building	144,258	-
	158,838	11,762

A15. Related Party Disclosures

	9 month ended	
	31.12.2021 RM'000	31.12.2020 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary companies	219	230
Labour charges paid and payable to subsidiary companies	26,900	23,056
Labour charges received and receivable from subsidiary companies	105	168
Handling fees paid and payable to a subsidiary company	2,929	1,213
Handling fees received and receivable from a subsidiary company	771	1,419
Related logistic services paid and payable to a subsidiary company	213	302
Related logistic services received and receivable from a subsidiary company	1,945	2,194
Rental of premises paid and payable to a subsidiary company	4,860	2,833
Rental of premises received and receivable from subsidiary companies	1,422	-
Rental of trucks received and receivable from subsidiary company	1,059	1,054
Interest received and receivable from subsidiary companies	784	491
Disposal of property, plant and equipment to subsidiary companies	60	-
Transaction with immediate holding company		
Related logistic services received and receivable	69,189	49,637
Related logistic services paid and payable	34,741	29,531
Management services fee paid and payable	8,395	9,663
IT fees paid and payable	154	-
Transaction with related companies		
Related logistic services received and receivable	168,865	65,191
Related logistic services paid and payable	153,853	65,338
IT fees paid and payable	1,661	1,916
Transaction with associated company		
Rental of premises paid	846	-
Accounting fee received from an associated company	-	14
Transaction with joint venture company		
Related logistic services received and receivable	538	2,230
Transaction with corporate shareholder of subsidiary company		
Repayment to corporate shareholder of subsidiary company	293	372
Interest paid and payable	207	211
Transaction with a company related to significant shareholder and directors		
Rental of premises paid and payable	919	441

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

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

	9 months ended			
	31.12.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	1,060,652	650,728	409,924	63.0%
Profit from operations	66,916	48,285	18,631	38.6%
Profit before Interest and tax	67,750	48,506	19,244	39.7%
Profit before taxation	57,773	37,526	20,247	54.0%
Profit after taxation	42,021	26,982	15,039	55.7%
Profit Attributable to Ordinary Equity Holders of the Parent	40,266	24,935	15,331	61.5%

The Group achieved revenue of RM1.06 billion for the financial period ended ("FPE") 31 December 2021 as against RM650.7 million a year earlier, an increase of RM410.0 million (63.0 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 amid the Covid19 pandemic. Revenue from International Business Solutions ("IBS") segment remained robust by recording a 115.5 per cent (RM308.2 million) increase in revenue from RM266.8 million to RM575.0 million. Revenue from Domestic Business Solutions ("DBS") showed an increase by RM101.7 million (26.5 per cent) from RM383.9 million to RM485.6 million.

Container shortages and issues of ports congestion as well as truck drivers and other resources continued to drive up sea freight rates. It prompted some customers to source alternative to ship their cargo from sea mode to air mode. This resulted both Ocean Freight Forwarding ("OFF") and Air Freight Forwarding ("AFF") divisions under IBS segment to post soaring revenue. Within IBS segment, y-o-y revenue of Ocean Freight Forwarding ("OFF") division rose significantly by RM136.0 million (178.6 per cent), from RM76.2 million to RM212.2 million while Air Freight Forwarding ("AFF") division posted an increase of RM172.2 million (90.3 per cent), from RM190.6 million to RM362.8 million. In addition to elevated sea freight rates, increase in business volume of existing aerospace, aluminium and business equipment customers, healthcare, F&B and solar energy customers also contributed to the escalated revenue of OFF division. Increase in AFF revenue was largely contributed from automotive, aerospace, electronic components, semiconductor, capacitor, healthcare, business equipment, car rubber mat manufacturing and synthetic resin customers.

The reopening up of the economy in stages pursuant to the post-MCO National Recovery Plan as announced by the government helped to boost up domestic and export activities. All businesses under DBS segment posted y-o-y surge in revenue. Contract Logistics division ("CL") business performed strongly by recording revenue of RM324.0 against RM239.4 million, a y-o-y increase of RM84.6 million (35.4 per cent). Within CL division, 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. Revenue of customs clearance business rose by RM52.1 million (53.8 per cent), from RM96.8 million to RM148.9 million. Revenue of haulage business was up by RM5.7 million (13.0 per cent), from RM43.8 million to RM49.5 million. Revenue of warehouse business hiked from RM82.0 million to RM105.7 million, an increase of RM23.7 million (28.9 per cent). Increase in warehouse revenue was also attributable to increased demand for warehouse space as Covid19 pandemic prompted many manufacturers to source for additional storage space as contingency plan and for higher stock buffer. Revenue of in-plant business rose by RM3.1 million (18.8 per cent), from RM16.8 million to RM19.9 million. The Cold Supply Chain ("CSC") division continued to contribute consistent revenue to DBS segment by posting an increase of RM6.4 million (6.8 per cent), due particularly to ice-cream and poultry & meat businesses. Increase in new customers in healthcare, food manufacturing, 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 services drove revenue of Trucking division higher from RM50.5 million to RM61.1 million, a y-o-y increase of RM10.6 million (21.0 per cent).

Profit from operations for the year-to-date ended 31 December 2021 rose by RM18.6 million (38.6 per cent) from RM48.3 million to RM66.9 million, indicating continued y-o-y recovery across all business segments. Profit before taxation ("PBT") for the year-to-date ended 31 December 2021 increased from RM37.5 million to RM57.8 million, an increase of RM20.2 million (54.0 per cent), and profit after tax ("PAT") for the period to-date was up from RM27.0 million to RM42.0 million, an increase of RM15.0 million (55.7 per cent) y-o-y.

With an increase in revenue in IBS segment, PBT of IBS segment surged by RM24.9 million (162.2 per cent), from RM15.4 million to RM40.3 million y-o-y. Within IBS, PBT generated from AFF division rose from RM14.3 million to RM30.9 million, an increase of RM16.7 million (116.9 per cent). OFF division posted a sharp increase in PBT of RM8.3 million (743.1 per cent) from RM1.1 million to RM9.4 million on the back of increased revenue and higher profit margin of long haul shipments.

PBT of DBS segment was also uplifted by RM13.2 million (44.1 per cent), from RM29.8 million to RM43.0 million y-o-y, largely contributed from CL and Trucking divisions. PBT of CL division surged by RM12.0 million (49.4 per cent), from RM24.2 million to RM36.2 million, mainly contributed from warehouse, custom clearance and haulage businesses. PBT of warehouse, custom clearance and haulage businesses rose by RM9.0 million (65.4 per cent), RM1.9 million (76.1 per cent) and RM1.4 million (25.2 per cent) respectively. The PBT was partially offset by PBT drop in in-plant business by RM0.3 million (13.3 per cent). Trucking division improved its bottomline from loss of RM1.9 million to PBT of RM0.2 million, an increase of 2.1 million (109.0 per cent). However the increase in PBT in DBS was partially offset by PBT drop in CSC division of RM0.9 million (12.3 per cent), from RM7.5 million to RM6.6 million. Drop in PBT of CSC division was 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.

However, PBT for the above business segments was bogged down as the Group registered an exceptional one-time expense in 3QFY2022 which amounted to RM15.9 million under Support segment, consisting primarily of the write-off of a block of warehouse building located at our Shah Alam Logistics Centre which was demolished to make way for reconstruction of new 4-storey modern warehouse, and write-off of damaged PPE hit by the flood in December 2021, impacting overall y-o-y PBT as well as profit for the year-to-date.

B2. Comparison with Previous Year Corresponding Quarter's Results : October 2021 to December 2021 vs October 2020 to December 2020

	3 months ended			
	31.12.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	455,087	242,706	212,381	87.5%
Profit from operations	15,326	19,760	(4,434)	-22.4%
Profit before Interest and tax	15,714	20,103	(4,389)	-21.8%
Profit before taxation	12,466	16,701	(4,235)	-25.4%
Profit after taxation	9,621	12,188	(2,567)	-21.1%
Profit Attributable to Ordinary Equity Holders of the Parent	8,813	11,597	(2,784)	-24.0%

The Group's posted revenue of RM455.1 million in the third quarter ended 31 December 2021 ("Q3FY2022"), as against revenue of RM242.7 million of the same quarter ended 31 December 2020 ("q-o-q"). This represents an increase of RM212.4 million (87.5 per cent). Revenue of IBS segment surged from RM102.7 million to RM294.4 million, an increase of RM191.7 million (186.7 per cent) while DBS segment recorded higher sales result by RM20.7 million (14.7 per cent), from RM140.0 million to RM160.7 million q-o-q.

Within the IBS segment, elevated freight rates pushed AFF and OFF divisions to record higher q-o-q revenue in Q3FY2020. Surging ocean freight rates coupled with container shortage and port congestions also benefited to AFF division as customers to ship out the shipments by switching sea mode to air mode. AFF division recorded strong q-o-q revenue from RM73.3 million to RM184.8 million, an increase of RM111.4 million (152.0 per cent) underpinned by business support from automotive, aerospace, electronic components, semiconductor, capacitor, healthcare, business equipment, car rubber mat manufacturing and synthetic resin customers. OFF recorded sharp rise in revenue from RM29.4 million to RM109.6 million, an increase of RM80.3 million (273.5 per cent) q-o-q underpinned by shipments support from newly secured glass manufacturing, healthcare, F&B, plastic moulding and solar panel customers and existing aerospace, aluminium, business equipment and plastic resin customers.

Recovery of business activities boosted all businesses of DBS segment to record higher q-o-q revenue. Within DBS segment, revenue of CL division was up by RM17.4 million (19.7 per cent), from RM88.1 million to RM105.5 million. Revenue of Trucking division rose by RM1.9 million (9.6 per cent), from RM20.0 million to RM21.9 million while CSC division also showed an increase of RM1.4 million (4.3 per cent). Revenue increase in CL was largely contributed from custom clearance and warehouse businesses. Revenue of custom clearance business rose from RM35.1 million to RM46.1 million, an increase of RM11.0 million (31.3 per cent), largely contributed from a newly secured food manufacturer customers, existing E&E, solar panel and timber flooring customers. Revenue of Warehouse business rose by RM30.3 million to RM36.3 million, an increase of RM5.9 million (19.6 per cent), largely contributing from a newly secured healthcare customer coupled with increased warehouse space and warehousing activities of existing E&E, semiconductor, solar panel, office equipment and timber flooring customers. Revenue of In-plant business rose by RM1.6 million (28.4 per cent), mainly contributing from a newly secured food manufacturing customer and existing E&E customers. Drop in export shipments of solar panel customers resulted Haulage business to post lower revenue by RM1.1 million (6.7 per cent). CSC division contributed a q-o-q increase of RM1.4 million (4.3 per cent), from RM32.0 million to RM33.3 million on the back of increased consumer retail, poultry, fast food chain, ice cream and confectionery customers. Revenue of Trucking division rose by RM1.9 million (9.6 per cent), from RM20.0 million to RM21.9 million on the back of newly secured food manufacturing, healthcare and E&E customers coupled with increased deliveries of existing solar panel and automotive parts customers.

PBT for Q3FY2022 decreased from RM16.7 million to RM12.5 million q-o-q, a decrease of RM4.2 million (25.4 per cent). IBS segment recorded double-fold PBT from RM6.9 million to RM20.2 million, an increase of RM13.3 million (192.2 per cent) while DBS segment also recorded an increase of RM1.7 million (12.9 per cent) from RM13.3 million to RM15.0 million. However, PBT generated was further offset by increased expenses of RM19.2 million from Support segment q-o-q. Increase in expenses from Support segment was primarily caused by an exceptional expenses totaling RM15.9 million, being written off of partial warehouse building facilities located at Shah Alam Logistics Centre due to demolition for rebuilding of a 4-storey warehouse facility as well as damaged PPE hit by flood effected in 3QFY2022. Correspondingly, PAT for Q3FY2022 fell by RM2.6 million (21.1 per cent) from RM12.2 million to RM9.6 million q-o-q.

Within IBS, PBT of AFF division rose from RM5.7 million to RM15.0 million, an increase of RM9.2 million (161.1 per cent) on the back of revenue surge and higher profit margins. Significant revenue surge and better profit margin particularly on long haul shipments drove PBT of OFF division to sharply rise from RM1.2 million to RM5.2 million, increased by RM4.0 million (342.7 per cent).

Within DBS segment, Trucking division reported an increase in PBT of RM1.1 million (265.4 per cent) from loss RM0.4 million to profit RM0.7 million. PBT of CL and CSC divisions slightly increased by RM0.2 million (2.1 per cent) from RM11.7 million to RM11.9 million and RM0.3 million (15.8 per cent) from RM2.1 million to RM2.4 million respectively. Within CL, PBT of warehouse, custom clearance and in-plant businesses rose by RM1.6 million (25.3 per cent), RM0.2 million (14.8 per cent) and RM0.2 million (32.9 per cent) respectively. But it was partially offset by drop in PBT of haulage business by RM1.8 million (54 per cent) resulting from reduced revenue and increased depreciation expenses of new replaced fleet.

B3. Comparison with Preceding Quarter's Results: October 2021 to December 2021 vs July 2021 to September 2021

	3 months ended			
	31.12.2021	30.09.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	455,087	315,515	139,572	44.2%
Profit from operations	15,326	27,180	(11,854)	-43.6%
Profit before Interest and tax	15,714	27,344	(11,630)	-42.5%
Profit before taxation	12,466	23,933	(11,467)	-47.9%
Profit after taxation	9,621	16,225	(6,604)	-40.7%
Profit Attributable to Ordinary Equity Holders of the Parent	8,813	15,687	(6,874)	-43.8%

B3. Comparison with Preceding Quarter's Results: October 2021 to December 2021 vs July 2021 to September 2021 (continue)

The Group's revenue of the third quarter ended 31 December 2021 ("Q3FY2022") was registered at RM455.1 million, as against revenue of RM315.5 million of the preceding quarter ended 30 September 2021 ("2QFY2022"). This represents an increase of RM139.6 million (44.2 per cent). IBS segment posted an increase of RM136.9 million (86.9 per cent), from RM157.5 million to RM294.4 million while revenue of DBS segment was up by RM2.7 million (1.7 per cent) from RM158.0 million to RM160.7 million as against 2QFY2022.

Within the IBS segment, recovery and resumption of business from temporary closure of major customers experienced since Q1FY2022 coupled with continued global supply chain disruptions prompt customers to ship cargo from sea mode to air mode. This drove revenue of AFF division to surge from RM102.7 million to RM184.7, which representing an increase of RM82.0 million (79.9 per cent) as against 2QFY2022. Revenue hike was largely contributed from automotive parts, healthcare and medical devices, aerospace, stationeries and electrical components manufacturing customers. OFF division reported double-fold revenue from RM54.8 million to RM109.6 million, an increase of RM54.8 million (100.2 per cent) underpinned by soaring sea freight rates resulting from shortage of containers and port congestion particularly in US. Increase in OFF revenue was mainly contributed by solar panel, glass manufacturing, F&B, aerospace, aluminium, healthcare and business equipment customers.

Within DBS segment, revenue of CL remained consistent by posting an increase of RM3.2 million (3.1 per cent), from RM102.3 million to RM105.5 million against 2QFY2022. The increase was largely contributed from warehouse, haulage and in-plant businesses by RM1.5 million (4.5 per cent), RM1.0 million (6.7 per cent) and RM0.8 million (12.8 per cent) respectively while revenue of custom clearance business dropped marginally by RM0.2 million (0.4 per cent). Increase warehousing volume in healthcare, semiconductor, musical instruments, shoe apparel and E&E customers drove higher revenue of warehouse business. Revenue of Trucking division was up by RM1.4 million (6.6 per cent), from RM20.5 million to RM21.9 million underpinned by increased distribution and deliveries in FMCG, fast food chain stores, solar panel and E&E cargo. CSC business saw a 5.2 per cent (RM1.8 million) decline.

PBT for Q3FY2022 declined from RM23.9 million to RM12.5 million as against last preceding quarter, a decrease of RM11.5 million (47.9 per cent). IBS segment recorded an increase of RM8.7 million (75.1 per cent) from RM11.5 million to RM20.2 million. Meanwhile, PBT of DBS segment in 3QFY2022 was also up by RM1.5 million (11.2 per cent) from RM13.5 million to RM15.0 million against 2QFY2022. However, the increases of PBT from operating segments of IBS and DBS were further bogged down by the increase of expenses of RM21.6 million from Support segment, largely resulting from incurrence of exceptional one-time expense amounting to RM15.9 million on write-off of a warehouse building block at our Shah Alam Logistics Centre due to demolishment to make way for rebuilding of a new 4-storey warehouse facility, as well as damaged PPE hit by flood in 3QFY2022.

AFF posted increased PBT of RM5.2 million (54.0 per cent), from RM9.7 million to RM14.9 million while PBT of OFF division surged from RM1.8 million to RM5.2 million, an increase of RM3.4 million (188.5 per cent).

PBT from DBS segment was up by RM1.5 million (11.2 per cent), from RM13.5 million to RM15.0 million. CL and Trucking divisions contributed increases in PBT to DBS by RM0.7 million (6.8 per cent) and RM0.8 million (618.5 per cent) respectively. However, the PBT was partially offset by the PBT drop in CSC division by RM0.1 million (3.8 per cent). Within CL division, PBT of custom clearance, warehouse and in-plant businesses rose by RM0.8 million (104.5 per cent), RM0.08 million (1.0 per cent) and RM0.3 million (55.3 per cent) respectively as against 2QFY2022. However, PBT of haulage business was down by RM0.5 million (23.7 per cent), primarily due to increased maintenance and depreciation expenses of truck fleet.

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

In the latest World Economic Outlook report ("WEO") released on 25 January 2022, the International Monetary Fund ("IMF") stated that the global economy enters 2022 in a weaker position than previously expected. As the new Omicron variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated. In terms of growth forecast, the IMF projected the global growth to moderate from 5.9 percent in 2021 to 4.4 percent in 2022. This represents half a percentage point lower for 2022 than the forecast in the October WEO and largely reflects forecast markdowns in U.S. and China, the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers also induced a downgrade revision. The IMF opines that the balance of risks for growth is tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high.

(Source: WEO dated 25 January 2022)

On the local front, Bank Negara Malaysia ("BNM") recently released two press statements: Economic and Financial Developments in Malaysia in the 3rd Quarter of 2021 ("EFDM") dated 12 November 2021, and Monetary Policy Statement ("MPC") dated 20 January 2022. In the EFDM, BNM reported that the Malaysian economy contracted by 4.5 percent in the third quarter of 2021 (2Q 2021: +16.1 percent), largely attributable to the strict Covid-19 containment measures particularly in July. On a q-o-q seasonally-adjusted basis, the economy registered a decline of 3.6 percent (2Q 2021: -1.9 percent). In the MPC statement, BNM maintained the Overnight Policy Rate (OPR) at 1.75 percent. BNM also reported that the latest high-frequency indicators show that economic activity had rebounded in the fourth quarter, in line with the relaxation of containment measures. For 2021, BNM projected growth will be within the range of 3 to 4 percent. Looking ahead, growth is expected to gain further momentum in 2022. This will be driven by the expansion in global demand and higher private sector expenditure amid improvements in the labour market and continued policy support. Risks to the growth outlook, however, remain tilted to the downside. Such risks may arise from a weaker-than-expected global growth, a worsening in supply chain disruptions, and the emergence of severe and vaccine-resistant COVID-19 variants of concern. While BNM did not provide any guidance in its two statements on the forecast GDP growth for Malaysia in 2022, the World Bank in a late December press report stated that the Malaysia's economic recovery is likely to rebound to 5.8 percent growth in 2022, driven by healthy domestic demand and continued growth in exports.

(Source: BNM's Economic and Financial Developments in Malaysia in the Third Quarter of 2021 dated 12 November 2021; Monetary Policy Statement dated 20 January 2022)

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

As the health of the logistics industry is closely aligned with the economic activity and international trade, the prospects of the Group are closely tied to the performance of the global as well as the Malaysian economy. Two years into the pandemic, the COVID-19 virus has again thrown a curve ball at us with the emergence of the highly transmissible Omicron variant. This has resulted in many countries having either to roll back the reopening of their economy or otherwise institute new restrictions to contain the virus. On the more positive side, the Omicron variant seems to cause milder disease and while vaccination does not completely prevent infection, it seems to prevent the severity for those who are fully vaccinated coupled with booster shot. As such, some countries have started to embark on a policy of living with the virus in order to continue economic activity. Despite the challenging economic condition, our Group has continued to prove the resilience of our business model both in good times and bad. We are pleased to report that with this third quarterly announcement, our Group has achieved a historical milestone by surpassing RM1 billion in revenue. Profit for the year-to-date surged from RM27 million to 42 million, an increase of RM15 million (55.7 percent). However, in terms of q-o-q profit, there is a drop of RM2.6 million (21.1 percent) in comparison with the previous year corresponding quarter despite the higher revenue. This is primarily due to a one-time write-off of the remaining balance net book value of one of the warehouse blocks at our Shah Alam Logistics Centre (SALC), and also due to some assets written-off as a result of damage caused by the recent flood, totalling in a one-time charge to P&L of approximately RM15.9 million. The write-off of the warehouse building was necessitated as part of our expansion plan at SALC. Approximately 180,000 square foot of old single-storey warehouse space will be demolished in Phase 1 of the SALC expansion plan in order to rebuild into a modern 4-storey warehouse of approximately 650,000 square foot warehouse space, creating a net increase of some 470,000 square foot of warehouse space. Phase 1 is expected to be completed by end 2023, whereby we expect to then embark on Phase 2 to build another adjoining warehouse. The SALC expansion plan forms a key part of our 5-year growth plan to expand our logistics capacity in conjunction with our ILS (Integrated Logistics Scheme) tax incentive. Looking into the prospects of the Group for the remaining last quarter of the FY, barring any unforeseen circumstances, we are cautiously confident that the trend in the operational performance of the first three quarters will continue into the last quarter. Downside risks for the Group will continue to be the ramification of risks posed by the COVID-19 pandemic, inflationary pressure on costs and labour shortage issues. 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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Income tax				
- Current tax	(4,043)	(5,674)	(16,718)	(12,475)
- overprovision in prior years	307	274	307	274
Deferred tax				
- Current year	1,121	1,198	889	1,966
- Underprovision in prior years	(230)	(311)	(230)	(309)
	(2,845)	(4,513)	(15,752)	(10,544)

The Group's effective tax rate for the cumulative 9 months ended 31 December 2021 was above the statutory rate of 24% is mainly due to non-deductible expenses.

B7. Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this report.

B8. Borrowing

	As at 3rd quarter ended 31.12.2021					
	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	-	849	-	532	-	1,381
Lease liabilities under MFRS 16	-	14,880	-	13,706	-	28,586
Bank loan (unsecured)	-	169,883	-	24,467	-	194,350
Bank loan (secured)	-	25,157	-	5,408	-	30,565
Amounts owing to corporate shareholder of subsidiary company	-	4,201	-	372	-	4,573
Total borrowings	-	214,970	-	44,485	-	259,455

B8. Borrowing (continue)

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 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

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 2021 to the date of this report.

B10. Dividend Proposed

On 27 October 2021, the Board of Directors declared a single-tier dividend of 1.0 sen per ordinary share amounting to RM8,000,000 in respect of financial year ended 31 March 2022. The dividend to be paid on 30 November 2021. The entitlement date for the dividend payment is 12 November 2021.

On 23 October 2020, the Board of the Company declared 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. The entitlement date and payment date are on 11 November and 30 November 2020 respectively.

B11. Earnings Per Share

	3 months ended		Cumulative 9 months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
PAT after non-controlling interest (RM'000)	8,813	11,597	40,266	24,935
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	1.10	1.45*	5.03	3.12*

* For comparative purpose, the earning per share for the period ended 31 December 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 31 December 2021. Accordingly, no diluted earnings per share is presented.

B12. Derivative Financial Instruments

There is no derivative financial instrument for the Group as at 31 December 2021 and 30 December 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.

B14. Profit for the period

	3 months ended		Cumulative 9 months Ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Profit for the period is arrived at after crediting:				
Interest income	398	196	631	1,070
Other income	1,052	326	2,343	1,309
Gain on disposal of property, plant and equipment	-	82	-	369
Allowance for doubtful debts no longer required	16	-	16	818
Realised foreign exchange gain	-	(464)	-	(11)
Unrealised foreign exchange gain	3,736	16	3,736	1,193
and after charging:				
Interest expenses	3,248	3,402	9,977	10,980
Property, plant and equipment written off	15,923	-	15,923	-
Depreciation of property, plant and equipment	14,968	7,428	21,646	21,445
Depreciation of right-of-use assets	11,012	2,268	11,012	7,022
Provision for doubtful debt	303	176	303	314
Realised foreign exchange loss	212	13	299	154
Unrealised foreign exchange loss	4,963	2,562	4,963	5,813
Loss on derecognition of subsidiary	-	-	-	825
Loss on disposal of other investment	-	2	-	13
Loss on disposal of property, plant and equipment	22	-	22	-

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 31 December 2021.