

**TASCO Berhad**  
**(Company No: 197401003124 (20218-T))**



**Condensed Consolidated Financial Statements**  
**For The Quarter And Year-To-Date Ended**  
**30 September 2022**

**Condensed Consolidated Statement of Comprehensive Income**  
**For The Quarter And Year-To-Date Ended 30-September-2022**

	3 months ended		Cumulative 6 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	493,949	315,515	947,507	605,565
Cost of sales	(440,756)	(273,311)	(842,315)	(522,719)
<b>Gross profit</b>	<b>53,193</b>	<b>42,204</b>	<b>105,192</b>	<b>82,846</b>
Other income	3,325	2,152	6,898	3,560
Administrative and general expenses	(19,383)	(15,947)	(37,341)	(31,873)
Other Expenses	(1,004)	(1,229)	(2,668)	(2,943)
<b>Profit from operations</b>	<b>36,131</b>	<b>27,180</b>	<b>72,081</b>	<b>51,590</b>
Finance costs	(3,254)	(3,411)	(6,469)	(6,729)
Share of results of associated company and joint venture	138	164	320	446
<b>Profit before taxation</b>	<b>33,015</b>	<b>23,933</b>	<b>65,932</b>	<b>45,307</b>
Tax expense	(8,443)	(7,708)	(16,461)	(12,907)
<b>Profit for the period</b>	<b>24,572</b>	<b>16,225</b>	<b>49,471</b>	<b>32,400</b>
<b>Profit Attributable to:</b>				
Owners of the Company	24,131	15,687	48,564	31,453
Non-Controlling Interest	441	538	907	947
	<b>24,572</b>	<b>16,225</b>	<b>49,471</b>	<b>32,400</b>
Earnings per share (sen) - basic	3.02	1.96	6.07	3.93

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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-September-2022**

	3 months ended		Cumulative 6 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
<b>Profit for the period</b>	<b>24,572</b>	<b>16,225</b>	<b>49,471</b>	<b>32,400</b>
<b>Other Comprehensive Income:</b>				
Exchange differences on translation foreign operation	-	-	-	-
Fair Value adjustment on cash flow hedge	-	-	-	-
Other comprehensive income/(Loss) for the period, net of tax	-	-	-	-
<b>Total Comprehensive Income</b>	<b>24,572</b>	<b>16,225</b>	<b>49,471</b>	<b>32,400</b>
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	24,131	15,687	48,564	31,453
Non-Controlling Interest	441	538	907	947
	<b>24,572</b>	<b>16,225</b>	<b>49,471</b>	<b>32,400</b>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position as at 30-September-2022**

	As at 30.09.2022 RM'000 Unaudited	As at 31.03.2022 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	533,622	518,089
Right-of-use assets	19,462	26,511
Goodwill	81,864	81,864
Investment in associated company	3,722	3,562
Investment in joint ventures	14,268	14,107
Other assets	962	962
Deferred Tax assets	-	324
<b>Total non-current assets</b>	<b>653,900</b>	<b>645,419</b>
<b>Current assets</b>		
Trade receivables	362,391	338,780
Contract Asset	286,123	211,879
Other receivables, deposits and prepayments	23,899	25,391
Amount owing by immediate holding company	8,236	12,842
Amounts owing by related companies	24,302	50,673
Amounts owing by associated company	51	50
Amount owing by a joint venture company	1	16
Current tax asset	504	554
Cash and bank balances	202,368	87,462
<b>Total current assets</b>	<b>907,875</b>	<b>727,647</b>
<b>TOTAL ASSETS</b>	<b>1,561,775</b>	<b>1,373,066</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position as at 30-September-2022**

	As at 30.09.2022 RM'000 Unaudited	As at 31.03.2022 RM'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	100,801	100,801
Revaluation reserve	1,401	1,401
Fair value reserve	(65)	(65)
Retained profits	451,278	414,713
Equity attributable to owners of the Company	553,415	516,850
Non-controlling interest	67,651	68,093
<b>Total equity</b>	<b>621,066</b>	<b>584,943</b>
<b>Non-current liabilities</b>		
Amounts owing to corporate shareholder of subsidiary company	4,015	4,201
Hire purchase payables	1,674	1,221
Lease liabilities	5,756	12,178
Bank term loans	191,824	147,004
Deferred tax liabilities	23,069	22,595
<b>Total non-current liabilities</b>	<b>226,338</b>	<b>187,199</b>
<b>Current liabilities</b>		
Trade payables	539,106	421,774
Contract liability	1,565	1,661
Other payables, deposits and accruals	60,787	60,077
Amount owing to immediate holding company	4,438	3,070
Amounts owing to related companies	20,843	21,892
Amounts owing to associated company	941	940
Hire purchase payables	1,376	736
Lease liabilities	15,422	16,375
Bank term loans	61,642	70,708
Amounts owing to corporate shareholder of subsidiary company	372	471
Current tax liabilities	7,879	3,220
<b>Total current liabilities</b>	<b>714,371</b>	<b>600,924</b>
<b>Total liabilities</b>	<b>940,709</b>	<b>788,123</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,561,775</b>	<b>1,373,066</b>
<b>Net Assets per share (RM)</b>	<b>0.69</b>	<b>0.65</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-September-2022

----- 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 RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>Balance at 1 April 2021</b>	100,801	1,401	(65)	367,463	469,600	66,972	536,572
Total comprehensive income for the period	-	-	-	31,453	31,453	947	32,400
Dividend paid (Note A8)	-	-	-	(10,000)	(10,000)	(1,350)	(11,350)
<b>Balance at 30 Sep 2021</b>	<b>100,801</b>	<b>1,401</b>	<b>(65)</b>	<b>388,916</b>	<b>491,053</b>	<b>66,569</b>	<b>557,622</b>
<b>Balance at 1 April 2022</b>	100,801	1,401	(65)	414,713	516,850	68,093	584,944
Total comprehensive income for the period	-	-	-	48,564	48,564	907	49,471
Dividend paid (Note A8)	-	-	-	(12,000)	(12,000)	(1,350)	(13,350)
<b>Balance at 30 Sep 2022</b>	<b>100,801</b>	<b>1,401</b>	<b>(65)</b>	<b>451,278</b>	<b>553,415</b>	<b>67,651</b>	<b>621,066</b>

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-September-2022

	Year-To-Date Ended	
	30.09.2022 RM'000 Unaudited	30.09.2021 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	65,932	45,307
Adjustments for:		
Allowance for doubtful debts	265	26
Allowance for doubtful debts no longer required	-	(16)
Depreciation of property, plant and equipment	15,112	14,333
Depreciation of right-of-use assets	8,203	7,336
(Gain)/Loss on disposal of property, plant and equipment	(84)	27
Fair value gain on short term investments	-	(47)
Property, plant and equipment written off	3	18
Share of profits of associated company and joint ventures, net of tax	-	(446)
Interest income	(1,148)	(451)
Dividend income	(37)	-
Interest expense	6,469	6,729
Unrealised (gain) / loss on foreign exchange	(3,090)	273
<b>Operating profit before working capital changes</b>	<b>91,625</b>	<b>73,090</b>
Changes in receivables	(65,386)	(52,041)
Changes in payables	119,445	35,726
Cash generated from operations	145,684	56,775
Net Tax paid	(10,380)	(6,651)
<b>Net Cash generated from operating activities</b>	<b>135,304</b>	<b>50,124</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(31,587)	(11,660)
Proceeds from disposal of property, plant and equipment	216	318
Investment in joint venture company	-	(10,550)
Purchase of other investment	-	(38)
Interest received	1,148	451
Dividend received from other investment	37	-
<b>Net cash used in investing activities</b>	<b>(30,186)</b>	<b>(21,479)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	92,800	-
Repayment of term loan	(55,823)	(14,366)
Payment of hire purchase and finance lease liabilities	(207)	(19)
Interest paid	(6,469)	(6,729)
Payment of lease liabilities	(6,879)	(7,132)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(285)	(293)
Dividend paid	(13,350)	(11,350)
<b>Net cash generated from / (used in) financing activities</b>	<b>9,788</b>	<b>(39,889)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>114,906</b>	<b>(11,244)</b>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	87,462	110,938
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>202,368</b>	<b>99,694</b>
<b>Represented by:</b>		
Fixed deposits with a licensed bank	-	1,140
Cash and bank balances	202,368	98,554
	<b>202,368</b>	<b>99,694</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 2022. 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 2022.

**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 2022.

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 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
MFRS 17	Insurance Contracts	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 2022 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**

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

<u>Interim /final dividend</u>	As at 30.09.2022 RM'000	As at 30.09.2021 RM'000
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	-	10,000
Final dividend in respect of the financial year ended 31 March 2022 - 1.50 sen single-tier dividend per ordinary share paid on 20 June 2022	12,000	-
	<b>12,000</b>	<b>10,000</b>

**A9. Segmental Reporting**

	Segmental Revenue		Segmental Result (PBT)	
	6 months ended		6 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<b>International Business Solutions</b>				
Air Freight Forwarding Division	294,479	178,075	24,307	15,957
Ocean Freight Forwarding Division	190,684	96,638	10,076	3,880
Supply Chain Solutions Division	14,942	5,901	1,868	247
	<b>500,105</b>	<b>280,614</b>	<b>36,250</b>	<b>20,084</b>
<b>Domestic Business Solutions</b>				
Contract Logistics Division	319,863	218,562	23,494	24,266
Cold Supply Chain Division	79,439	67,202	4,248	4,220
Trucking Division	48,100	39,187	1,542	(538)
	<b>447,402</b>	<b>324,951</b>	<b>29,284</b>	<b>27,948</b>
Others	-	-	398	(2,726)
<b>Total</b>	<b>947,507</b>	<b>605,565</b>	<b>65,932</b>	<b>45,307</b>

**A10. Valuation of Property, Plant and Equipment**

There were no revaluations of property, plant and equipment under current period review. As at 30 September 2022, 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.

**A13. Contingent Assets and Liabilities**

Except for below items, there were no material contingent assets and liabilities since 30 September 2022 to the date of this report:

	As at 30.09.2022 RM'000	As at 30.09.2021 RM'000
Corporate guarantees in favour of suppliers of its joint venture company, YLTC Sdn Bhd for supplying goods and services on credit	3,000	5,400
Corporate guarantee in favour of a licensed bank of its joint venture company, YLTC Sdn Bhd for trade facilities	7,150	7,150
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	37,966	31,643
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	-
	<b>61,116</b>	<b>44,193</b>



**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
- construction of warehouse building

As at 30.09.2022 RM'000	As at 30.09.2021 RM'000
9,588	16,136
123,381	-
<b>132,969</b>	<b>16,136</b>

**A15. Related Party Disclosures**

**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
- Disposal of property, plant and equipment to subsidiary companies

6 month ended	
30.09.2022 RM'000	30.09.2021 RM'000
77	150
1,108	17,827
146	170
541	1,674
658	171
186	139
2,711	1,378
3,341	866
1,207	3,187
603	707
501	533
-	60

**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

66,040	36,731
21,990	21,384
6,460	4,424
134	105

**Transaction with related companies**

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

107,595	75,625
167,333	80,767
1,153	1,210

**Transaction with associated company**

- Rental of premises paid

376	752
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**Transaction with joint venture company**

- Related logistic services received and receivable
- Accounting fee received and receivable

47	475
15	-

**Transaction with corporate shareholder of subsidiary company**

- Repayment to corporate shareholder of subsidiary company
- Interest paid and payable

186	293
121	133

**Transaction with a company related to significant shareholder and directors**

- Rental of premises paid and payable

613	613
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Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

B1. Performance Review : Year-to-date April 2022-September 2022 vs Year-to-date April 2021-September 2021

	6 months ended			
	30.09.2022	30.09.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	947,507	605,565	341,942	56.5%
Profit from operations	72,081	51,590	20,491	39.7%
Profit before Interest and tax	72,401	52,036	20,365	39.1%
Profit before taxation	65,932	45,307	20,625	45.5%
Profit after taxation	49,471	32,400	17,071	52.7%
Profit Attributable to Ordinary Equity Holders of the Parent	48,564	31,453	17,111	54.4%

The Group achieved revenue of RM947.5 million for the financial period ended ("FPE") 30 September 2022 as against RM605.6 million a year earlier, an increase of RM341.9 (56.5% per cent) year-on-year ("y-o-y"). Both International Business Solutions ("IBS") and Domestic Business Solutions ("DBS") segments recorded y-o-y commendably higher revenue. Revenue from International Business Solutions ("IBS") soared from RM280.6 million to RM500.1 million, an increase of RM219.5 million (78.2 per cent), whilst DBS business remained robust by recording 37.7 per cent (RM122.5 million) higher revenue from RM325.0 million to RM447.4 million in the same period.

Within the IBS segment, Air Freight Forwarding ("AFF") division posted an increase in revenue by RM116.4 million (65.4 per cent), from RM178.1 million to RM294.5 million. Strong air shipments support from aerospace, electronic capacitor, automotive parts, business equipment and electronics & electrical ("E&E") customers bolstered AFF's revenue to hike by 65.4 per cent.

Despite the general downtrending freight rates in the freight market, newly secured base commodity customer and increased shipments contribution from solar panels, aerospace, aluminium and glass fibre/electronic glass materials manufacturing customers greatly helped Ocean Freight Forwarding ("OFF") to post almost twofold increase in revenue y-o-y. Revenue of OFF soared from RM96.6 million to RM190.7 million, an increase of RM94.1 million (97.3 per cent).

A new business division Supply Chain Solutions Division ("SCS") division, consisting of origin order management, lead logistic provider and e-commerce businesses, which was previously included in OFF division, is now separately disclosed as SCS division and is reported under IBS segment. Revenue of SCS division showed an increase of RM9.0 million (153.2 per cent), from RM5.9 million to RM14.9 million y-o-y on the back of retail logistics and e-commerce businesses.

Within the DBS segment, Contract Logistics ("CL") division performed y-o-y increase of RM101.3 million (46.3 per cent), from RM218.6 million to RM319.9 million. Within CL division, custom clearance business increase of RM73.3 million (71.3 per cent) from RM102.8 million to RM176.1 million. Meanwhile warehouse business posted an increase of RM28.7 million (41.3 per cent) from RM69.4 million to RM98 million. The increase in custom clearance and warehouse business was largely contributed by export shipments and additional storage of solar panel customer. On the other hand, reduction in the shipment of an E&E customer caused haulage business to post lower revenue by RM2.2 million (6.6 per cent), from RM33.6 million to RM31.4 million y-o-y. Revenue of in-plant business showed an increase of RM1.5 million (11.7 per cent), from RM12.7 million to RM14.2 million on the back of food manufacturing customer.

The Cold Supply Chain ("CSC") division contributed revenue to DBS segment by posting an increase of RM12.2 million (18.2 per cent), from RM67.2 million to RM79.4 million on the back of increased businesses from ice cream, food and convenient retail customers. As for Trucking division, revenue was up from RM39.2 million to RM48.1 million, a y-o-y increase of RM8.9 million (22.7 per cent). The increase was contributed from increase in deliveries for food manufacturing customers, solar panel and cross-border Thailand and Singapore trucking services.

Profit from operations for the year ended 30 September 2022 rose by RM20.5 million (39.7 per cent) from RM51.6 million to RM72.1 million. Profit before taxation ("PBT") for the year ended 30 September 2022 hiked from RM45.3 million to RM65.9 million, an increase of RM20.6 million (45.5 per cent), and profit after tax ("PAT") for the period went up from RM32.4 million to RM49.5 million, a y-o-y increase of RM17.1 million (52.7 per cent).

With an increase in revenue and better profit margin in IBS segment, PBT of IBS surged by 80.5 per cent (RM16.2 million), from RM20.1 million to RM36.3 million y-o-y. Within IBS, PBT of AFF division increased from RM16.0 million to RM24.3 million, an increase of RM8.3 million (52.3 per cent), while PBT of OFF division soared with an increase of RM6.2 million (159.7 per cent), from RM3.9 million to RM10.1 million y-o-y. Also, SCS showed a significant increase of RM1.6 million (655.8 per cent), from RM0.2 million to RM1.9 million y-o-y.

DBS segment recorded an uplifted PBT by RM1.3 million (4.8 per cent) from RM28.0 million to RM29.3 million y-o-y. The increase was largely contributed from Trucking and CSC divisions. PBT of Trucking division rose from loss of RM0.5 million to profit of RM1.5 million, an increase of RM2.0 million (387.7 per cent), while CSC posted a marginal increase of RM0.03 million (0.7 per cent). The increase was partially offset by the PBT drop in CL division. CL division posted a drop in PBT of RM0.8 million (3.2 per cent), from RM24.3 million to RM23.5 million y-o-y.

Within CL division, PBT of warehouse business increased by RM2.2 million (15.0 per cent), from RM14.8 million to RM17.0 million. Despite increase in revenue, PBT of custom clearance business reduced from RM2.8 million to RM2.2 million, a drop of RM0.6 million (20.0 per cent), mainly resulted from shipment volume dropped from an E&E customer as well as profit drop from custom clearance value added activities and project cargo. PBT of haulage business dropped by RM2.2 million (40.6 per cent) y-o-y, from RM5.4 million to RM3.2 million on the back of reduction in delivery of containers of a major E&E customer and fleet operating costs y-o-y. Increase in labour cost resulted in in-plant business to post lower PBT from RM1.3 million to RM1.0 million, a drop of RM0.2 million (18.5 per cent).

Besides PBT improved from the above business segments, PBT from Support segment contributed an increase of RM3.1 million y-o-y to the Company. The increase was largely attributed to increase in realised and unrealised forex gain resulting from strengthened USD.

**B2. Comparison with Previous Year Corresponding Quarter's Results : July 2022 to September 2022 vs July 2021 to September 2021**

	3 months ended			
	30.09.2022	30.09.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	493,949	315,515	178,434	56.6%
Profit from operations	36,131	27,180	8,951	32.9%
Profit before Interest and tax	36,269	27,344	8,925	32.6%
Profit before taxation	33,015	23,933	9,082	37.9%
Profit after taxation	24,572	16,225	8,347	51.4%
Profit Attributable to Ordinary Equity Holders of the Parent	24,131	15,687	8,444	53.8%

The Group's revenue of the second quarter ended 30 September 2022 ("2QFY2023") was registered at RM493.9 million, as against revenue of RM315.5 million of the last year quarter ended 30 September 2021 ("2QFY2022"). This represents an increase of RM178.4 million (56.6 per cent) q-o-q. Revenue of IBS segment increased to RM238.9 million from RM157.5 million q-o-q, an increase of RM81.4 million (51.7 per cent) while DBS segment recorded an increase of RM97.0 million (61.4 per cent), from RM158.0 million to RM)255.0 million.

Within the IBS segment, AFF division posted RM36.5 million (35.5 per cent) increase in revenue from RM102.7 million to RM139.2 million, mainly contributed from aerospace, automotive parts and E&E customers. OFF recorded sharp rise in revenue from RM51.8 million to RM92.0 million, an increase of RM40.2 million (77.6 per cent) q-o-q underpinned by shipments support from newly secured insulation products and power tools manufacturing customers as well as existing solar panel, aluminium and electric glass customers. Revenue of SCS division rose sharply from RM3.0 million to RM7.7 million, an increase of 4.7 million (157.4 per cent) q-o-y, largely contributed from retail logistics business.

Within the DBS segment, revenue of CL division rose from RM102.3 million to RM184.0 million, representing an increase of RM81.7 million (79.9 per cent) q-o-q. Within CL Division, the revenue from custom clearance business was increased by RM61.5 million (132.7 per cent) from RM46.3 million to RM107.8 million, mainly contributed from solar panel, E&E and food manufacturing customers. Increase containers volume from newly secured insulation product manufacturing, solar panel and food manufacturing customers pushed haulage business to post higher revenue by RM2.1 million (13.9 per cent), from RM14.9 million to RM17.0 million q-o-q. Revenue of warehouse business increased by RM17.2 million (49.5 per cent) from RM34.7 million to RM51.9 million underpinned by increase warehousing services to solar panel, E&E and musical instrument customers as well as a newly secured sports apparel customer. Revenue of in-plant business rose from RM6.4 million to RM7.4 million, increased by RM1.0 million (15.5 per cent). The increase was mainly contributed from food manufacturing customer. Besides, CSC division also contributed an increase in revenue of RM7.6 million (21.5 per cent), from RM35.2 million to RM42.7 million q-o-q from food, ice cream and retail customers. On the other hand, increase in Thailand cross border trucking business coupled with increase business from solar panel, fast food chain, food manufacturing and E&E customers pushed revenue of Trucking division from RM20.5 million to RM28.3 million, representing an increase of RM7.7 million (37.7 per cent).

PBT for 2QFY2023 increased from RM23.9 million to RM33.0 million as against 2QFY2022, an increase of RM9.1 million (37.9 per cent). Correspondingly, PAT for 2QFY2023 rose by RM8.3 million (51.4 per cent) from RM16.2 to RM24.6 million. IBS segment recorded an increase of RM6.2 million (53.5 per cent) from RM11.5 million to RM17.7 million while DBS segment also posted an increase of RM2.5 million (18.5 per cent) from RM13.5 million to RM16.0 million q-o-q.

Within IBS segment, PBT of AFF division hike from RM9.7 million to RM17.7 million, rose by RM3.0 million (31.1 per cent) q-o-q. PBT of OFF division hiked from RM1.8 million to RM4.1 million, an increase of RM2.3 million (128.2 per cent), whereas PBT of SCS division rose sharply from RM0.03 million to RM0.9 million, an increase of RM0.9 million.

Within the DBS segment, PBT of CL division rose from RM11.2 million to RM12.9 million, representing an increase of RM1.8 million (15.8 per cent). Within CL Division, PBT from custom clearance business increased by RM0.8 million (102.7 per cent) from RM0.8 million to RM1.6 million. PBT of warehouse business rose by RM1.0 million (13.3 per cent) from RM7.8 million to RM8.9 million and In-plant business was increased by RM0.1 million (25.2 per cent) from RM0.5 million to RM0.7 million. However, the increases were partly offset by PBT drop of RN0.2 million (12.6 per cent).

Within the DBS segment, PBT of Trucking division improved from loss of RM0.1 million to profit RM1.2 million, representing an increase of RM1.3 million (946.7 per cent). Whereas PBT of CSC division was down by RM0.6 million (22.5 per cent) from RM2.5 million to RM1.9 million q-o-q.

**B3. Comparison with Preceding Quarter's Results: July 2022 to September 2022 vs April 2022 to June 2022**

	3 months ended			
	30.09.2022	30.06.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	493,949	453,558	40,391	8.9%
Profit from operations	36,131	35,950	181	0.5%
Profit before Interest and tax	36,269	36,132	137	0.4%
Profit before taxation	33,015	32,917	98	0.3%
Profit after taxation	24,572	24,899	(327)	-1.3%
Profit Attributable to Ordinary Equity Holders of the Parent	24,131	24,433	(302)	-1.2%

### B3. Comparison with Preceding Quarter's Results: July 2022 to September 2022 vs April 2022 to June 2022 (continue)

The Group's revenue of the second quarter ended 30 September 2022 ("2QFY2023") was registered at RM493.9 million, as against revenue of RM453.6 million of the last quarter ended 30 June 2022 ("1QFY2023"). This represents an increase of RM40.4 million (8.9 per cent). Downward trend in market freight rates resulted IBS segment to post lower revenue of RM22.3 million (8.5 per cent), from RM261.2 million to RM238.9 million whilst the drop was cushioned by the revenue hike in DBS segment. DBS segment continued to perform strongly in 2QFY2023 by recording an increase in revenue of RM62.7 million (32.6 per cent), from RM192.4 million to RM255.0 million as against 1QFY2023.

Within the IBS segment, revenue of AFF division dropped from RM155.3 million to RM139.2 million, a decrease of RM16.0 million (10.3 per cent). On the other hand, revenue of OFF division was down by RM6.7 million (6.8 per cent), from RM98.7 million to RM92.0 million notwithstanding business volume was up by 20 per cent as against last quarter. The drop in AFF and OFF revenue was mainly attributable to reducing freight rates in the overall freight market.

Meanwhile, SCS division posted an increased revenue from RM7.2 million to RM7.7 million, an increase of RM0.5 million (6.3 per cent). The increase was largely contributed from retail logistics and lead logistic provider business in 2QFY2023.

Within the DBS segment, revenue of all divisions remained robust in 2QFY2022 by recording higher revenue performance. Revenue of CL division hiked by RM48.2 million (35.5 per cent), from RM135.8 million to RM184.0 million. Revenue from Trucking division was up from RM19.8 million to RM28.3 million, an increase of RM8.5 million (42.7 per cent), on the back of increase deliveries of a solar panel customer. CSC showed an increase of RM6.0 million (16.4 per cent), from RM36.7 million to RM42.7 million, largely contributing from food and retail customers in 2QFY2023.

Within the CL division, with increase shipments of a solar panel and food manufacturing customers, custom clearance business posted an increase of RM39.4 million (57.7 per cent), from RM68.3 million to RM107.8 million as against last quarter. Haulage business also contributed an increase of RM2.5 million (17.5 per cent), from RM14.4 million to RM17.0 million underpinned by increase business volume from food manufacturing, solar panel and newly secured insulation products manufacturing customers. On the other hand, revenue of warehouse business rose by RM5.7 million (12.4 per cent), from RM46.2 million to RM51.9 million, largely contributing by solar panel, music instruments & E&E customers. Increase in-plant handling volume of a food manufacturing customer pushed revenue of in-plant business to rise from RM6.9 million to RM7.4 million, an increase of RM0.5 million (7.4 per cent).

Profit from operations for Q2FY2023 rose by RM0.2 million (0.5 per cent), from RM35.9 million to RM36.1 million compared to 1QFY2023. PBT for Q2FY2023 rose from RM32.9 million to RM33.0 million, as against last quarter, showing a marginal increase of RM0.1 million (0.3 per cent). DBS segment recorded RM2.8 million (21.0 per cent) increase in PBT, from RM13.2 million to RM16.0 million, as against 1QFY2023. However, the increase was partially offset by the drop in PBT from IBS segment. PBT of IBS segment reduced from RM18.5 million to RM17.7 million, a reduction of RM0.8 million (4.5 per cent).

Within IBS segment, AFF posted higher PBT of RM1.2 million (10.3 per cent), from RM11.6 million to RM12.7 million, largely arising from other income from forex gain. However, it was offset by the PBT drop in OFF and SCS divisions. PBT of OFF was down by RM1.9 million (32.1 per cent), from RM6.0 million to RM4.1 million resulting from competitive rates. SCS's PBT reduced from RM1.0 million to RM0.9 million, 1reduction of RM0.1 million (10.0 per cent).

PBT from DBS segment increased from RM13.3 million to RM16.0 million, an increase of RM2.8 million (21.0 per cent). Within DBS segment, CL division remained strong to record higher PBT by RM2.4 million (22.4 per cent) from RM10.6 million to RM12.9 million as against 1QFY2023. All businesses of CL division recorded higher PBT compared to last quarter. PBT of custom clearance, haulage, warehouse and in-plant businesses was up by RM1.0 million (166.0 per cent), RM0.3 million (17.2 per cent), RM0.8 million (9.3 per cent) and RM0.3 (97.1 per cent) respectively. On the other hand, Trucking division also contributed a significant increase of RM0.8 million (207.7 per cent) to DBS segment, its PBT rose from RM0.4 million to RM1.2 million as against last quarter. Whilst SCS experienced drop in PBT by RM0.4 million (16.2 per cent), from RM2.3 million to RM1.9 million.

In addition, the PBT from IBS and DBS segments was partially offset by PBT drop in Support segment by RM1.8 million, largely arising from reduction in non-operating income from unrealised forex gain as against last quarter.

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

The International Monetary Fund (IMF) in its latest World Economic Outlook (WEO) report released on 11 October 2022 stated that global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023, reflecting largely the significant slowdowns for the largest economies. The surge in energy and food prices, tightening financial policy in most countries, the war in Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. The IMF further warned that the risks to the outlook remain unusually large, with the balance of risks tilted firmly to the downside. Possible risks cited by the IMF include policy miscalculation and divergence, more energy and food price shock, geopolitical tensions including an escalation of the war in Ukraine, resurgence of COVID-19 and worsening of China's property sector crisis.  
(Source: IMF WEO Report dated 11 October 2022)

On the local front, Bank Negara Malaysia (BNM) has reported that the Malaysian economy grew by 8.9 percent in the 2Q 2022, bringing the year-to-date growth in the 1st half of 2022 to 6.9 percent. The higher growth was reflective of normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. As of August 2022, BNM reported that headline inflation has averaged at 2.8 percent and projected to peak in 3Q 2022 before moderating thereafter. Underlying inflation, as measured by core inflation, is expected to average closer to the upper end of the 2.0% - 3.0% forecast range in 2022. Looking ahead, BNM expects the Malaysian economy to expand further for the remainder of the year. Nevertheless, external demand is expected to moderate following softening global growth. Hence, BNM warned that downside risks to the domestic economy continue to stem from a weaker-than-expected global growth, further escalation of geopolitical conflicts, and worsening supply chain disruptions. BNM continues to maintain projected growth rate for the Malaysian economy in 2022 of between 5.3 percent and 6.3 percent.

(Source: BNM's Economic and Financial Developments in Malaysia in the Second Quarter of 2022 dated 12 August 2022; BNM's Monetary Policy Statement dated 8 September 2022; BNM's Monetary and Financial Developments in August 2022 dated 30 September 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 Malaysian economy. For the quarter under review, our Group has continued to show resilience in our financial performance in the face of the challenging economic backdrop, by registering significantly better results for the quarter and year-to-date vis-à-vis previous corresponding year as noted above. That the better results were achieved in a broad-based manner, with both our IBS and DBS reporting significantly better results, is noteworthy. Despite the declining trend in the market for both air and ocean freight rates, our IBS was able to offset the lower rates by securing more cargo volume from both existing and new customers. Our strength as a total logistics solutions provider has allowed us to diversify and balance our risks between the more stable domestic logistics business against the more unpredictable international freight business. We have also noticed throughout the years that weakness in the financial performance of one segment of our business would be beefed up by an upswing in another segment of our business. Hence, even as the international freight market generally seems to have peak with freight rates trending downwards (which we have offset by higher cargo volume), our results in the domestic logistics segment, in particular contract logistics, saw a big upward swing. Another step we have taken to resilience-proof our business is by diversifying our clientele base to incorporate various industries and businesses, from E&E to F&B, from chemical to energy, and from telecommunications to aerospace, to name but a few. This diversification has mitigated and spread our risk in facing economic challenges as different industries and businesses are impacted differently during economically challenging times. Looking into the prospects of the Group for the rest of the financial year, we are still cautiously positive about our performance for the 2nd half of our financial year due to the resilience of our business model. While we were somewhat a net beneficiary of the economic circumstances caused by the pandemic, our good performance thus far is due to our strong business fundamental, our insightful strategies as well as prudent management practices. Nevertheless, the global economic environment seems to be moving towards an even more challenging time than during the pandemic period, due to the global inflationary pressure and the tightening of fiscal policy by the Fed driving up the interest rates around the world and the economic consequences to follow. Downside risks for our Group would be the aforesaid inflationary pressure on operating costs, increase in cost of labour due to the revised Employment Act to take effect from next year, labour shortages, and the risk of recession or stagflation in global or local economy. However, we anticipate that we will be generally able to pass on the cost increase to the customers although there may be a time-lag to effect those increases. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity when it is beneficial to our shareholders' value.

**B5. Profit Forecast**

Not applicable as there is no forecast / profit guarantee.

**B6. Tax Expense**

	3 months ended		Cumulative 6 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Income tax				
- Current tax	(8,014)	(7,057)	(15,573)	(12,675)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(428)	(651)	(804)	(232)
- Overprovision in prior years	(1)	-	(84)	-
	<b>(8,443)</b>	<b>(7,708)</b>	<b>(16,461)</b>	<b>(12,907)</b>

The Group's effective tax rates for the cumulative 6 months ended 30 September 2022 and 30 September 2021 were above the statutory rate of 24% is mainly due to non-deductible expenses.

**B7. Corporate Proposals**

There were no new proposals made for the quarter under review.

**B8. Borrowing**

	As at 2nd quarter ended 30.09.2022					
	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	-	1,674	-	1,376	-	3,050
Lease liabilities	-	5,756	-	15,422	-	21,178
Bank loan (unsecured)	-	160,561	-	54,938	-	215,500
Bank loan (secured)	-	31,263	-	6,704	-	37,966
Amounts owing to corporate shareholder of subsidiary company	-	4,015	-	372	-	4,387
Total borrowings	-	203,269	-	78,812	-	282,081

**B8. Borrowing (continue)**

	As at 2nd quarter ended 30.09.2021					
	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 liabilities	-	212	-	128	-	340
Lease liabilities	-	17,235	-	14,063	-	31,298
Bank loan (unsecured)	-	133,500	-	66,967	-	200,467
Bank loan (secured)	-	26,235	-	5,408	-	31,643
Amounts owing to corporate shareholder of subsidiary company	-	4,387	-	372	-	4,759
<b>Total borrowings</b>	<b>-</b>	<b>181,569</b>	<b>-</b>	<b>86,938</b>	<b>-</b>	<b>268,507</b>

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 30 September 2022 to the date of this report.

**B10. Dividend Proposed**

No interim dividend was proposed or declared in the current quarter under review.

**B11. Earnings Per Share**

	Cumulative 6 months ended	
	30.09.2022	30.09.2021
PAT after non-controlling interest (RM'000)	48,564	31,453
Weighted average number of ordinary shares in issue ('000)	800,000	800,000
Earnings per share (sen)	6.07	3.93

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2022. Accordingly, no diluted earnings per share is presented.

**B12. Derivative Financial Instruments**

There is no derivative financial instrument for the Group as at 30 September 2022 and 30 September 2021.

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 6 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	649	256	1,148	451
Other income	109	721	344	968
Gain on disposal of property, plant and equipment	84	-	84	-
Allowance for doubtful debts no longer required	-	16	-	16
Realised foreign exchange gain	912	-	912	-
Unrealised foreign exchange gain	1,534	1,159	4,373	2,125
Dividend income	37	-	37	-
<b>and after charging:</b>				
Interest expenses	3,254	3,411	6,469	6,729
Property, plant and equipment written off	3	18	3	18
Depreciation of property, plant and equipment	7,642	7,185	15,112	14,333
Depreciation of right-of-use assets	8,203	3,620	8,203	7,336
Loss on disposal of property, plant and equipment	-	(255)	-	27
Allowance for doubtful debts	-	14	265	26
Realised foreign exchange loss	726	(221)	1,118	104
Unrealised foreign exchange loss	278	1,303	1,283	2,398

Unless otherwise indicated 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 September 2022.