

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



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 December 2022

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-December-2022

	3 months ended		Cumulative 9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	392,688	455,087	1,340,195	1,060,652
Cost of sales	(340,600)	(402,811)	(1,182,915)	(925,530)
Gross profit	52,088	52,276	157,280	135,122
Other income	2,880	3,150	9,778	6,710
Administrative and general expenses	(18,471)	(22,190)	(55,812)	(53,076)
Other Expenses	(5,179)	(17,910)	(7,847)	(21,840)
Profit from operations	31,318	15,326	103,399	66,916
Finance costs	(3,431)	(3,248)	(9,900)	(9,977)
Share of results of associated company and joint venture	455	388	775	834
Profit before taxation	28,342	12,466	94,274	57,773
Tax expense	(7,517)	(2,845)	(23,978)	(15,752)
Profit for the period	20,825	9,621	70,296	42,021
Profit Attributable to:				
Owners of the Company	20,437	8,813	69,001	40,266
Non-Controlling Interest	388	808	1,295	1,755
	20,825	9,621	70,296	42,021
Earnings per share (sen) - basic	2.55	1.10	8.63	5.03

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 31-December-2022**

	3 months ended		Cumulative 9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	20,825	9,621	70,296	42,021
Other Comprehensive Income:				
Exchange differences on translation foreign operation	-	-	-	-
Fair Value adjustment on cash flow hedge	-	-	-	-
Other comprehensive income/(Loss) for the period, net of tax	-	-	-	-
Total Comprehensive Income	20,825	9,621	70,296	42,021
Total Comprehensive Income attributable to:				
Owners of the Company	20,437	8,813	69,001	40,266
Non-Controlling Interest	388	808	1,295	1,755
	20,825	9,621	70,296	42,021

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 31-December-2022

	As at 31.12.2022 RM'000 Unaudited	As at 31.03.2022 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	545,220	518,089
Right-of-use assets	15,611	26,511
Goodwill	81,864	81,864
Investment in associated company	3,815	3,562
Investment in joint ventures	14,630	14,107
Other assets	962	962
Deferred Tax assets	-	324
Total non-current assets	662,102	645,419
Current assets		
Trade receivables	382,583	338,780
Contract Asset	348,998	211,879
Other receivables, deposits and prepayments	24,552	25,391
Amount owing by immediate holding company	8,175	12,842
Amounts owing by related companies	20,337	50,673
Amounts owing by associated company	97	50
Amount owing by a joint venture company	16	16
Current tax asset	508	554
Cash and bank balances	294,364	87,462
Total current assets	1,079,630	727,647
TOTAL ASSETS	1,741,733	1,373,066

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 31-December-2022

	As at 31.12.2022 RM'000 Unaudited	As at 31.03.2022 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	471,714	414,713
	-----	-----
Equity attributable to owners of the Company	573,851	516,850
Non-controlling interest	68,038	68,093
	-----	-----
Total equity	641,889	584,943
	-----	-----
Non-current liabilities		
Amounts owing to a corporate shareholder of subsidiary company	3,829	4,201
Hire purchase payables	1,670	1,221
Lease liabilities	3,280	12,178
Bank term loans	193,433	147,004
Deferred tax liabilities	21,901	22,595
	-----	-----
Total non-current liabilities	224,113	187,199
	-----	-----
Current liabilities		
Trade payables	685,965	421,774
Contract liability	1,508	1,661
Other payables, deposits and accruals	55,272	60,077
Amount owing to immediate holding company	3,681	3,070
Amounts owing to related companies	26,201	21,892
Amounts owing to associated company	752	940
Hire purchase payables	1,566	736
Lease liabilities	13,832	16,375
Bank term loans	75,467	70,708
Amounts owing to a corporate shareholder of subsidiary company	372	471
Current tax liabilities	11,115	3,220
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Total current liabilities	875,731	600,924
	-----	-----
Total liabilities	1,099,844	788,123
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TOTAL EQUITY AND LIABILITIES	1,741,733	1,373,066
	=====	=====
Net Assets per share (RM)	0.72	0.65
	=====	=====

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 31-December-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
Balance at 1 April 2021	100,801	1,401	(65)	367,463	469,600	66,972	536,572
Total comprehensive income for the period	-	-	-	40,266	40,266	1,755	42,021
Dividend paid (Note A8)	-	-	-	(18,000)	(18,000)	(1,350)	(19,350)
Balance at 31 Dec 2021	100,801	1,401	(65)	389,729	491,866	67,377	559,243
Balance at 1 April 2022	100,801	1,401	(65)	414,713	516,850	68,093	584,943
Total comprehensive income for the period	-	-	-	69,001	69,001	1,295	70,296
Dividend paid (Note A8)	-	-	-	(12,000)	(12,000)	(1,350)	(13,350)
Balance at 31 Dec 2022	100,801	1,401	(65)	471,714	573,851	68,038	641,889

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 31-December-2022

	Year-To-Date Ended	
	31.12.2022 RM'000 Unaudited	31.12.2021 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	94,274	57,773
Adjustments for:		
Allowance for doubtful debts	265	303
Allowance for doubtful debts no longer required	-	(16)
Depreciation of property, plant and equipment	22,847	21,646
Depreciation of right-of-use assets	12,184	11,012
Loss on disposal of property, plant and equipment	216	22
Fair value gain on short term investments	-	(67)
Property, plant and equipment written off	7	15,923
Share of profits of associated company and joint ventures net of tax	(775)	(834)
Interest income	(2,023)	(631)
Dividend income	(37)	(37)
Interest expense	9,900	9,977
Unrealised loss on foreign exchange	1,070	1,227
Operating profit before working capital changes	137,928	116,298
Changes in receivables	(145,080)	(344,884)
Changes in payables	262,716	320,742
Cash generated from operations	255,563	92,156
Net Tax paid	(15,824)	(13,841)
Net Cash generated from operating activities	239,739	78,315
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(50,180)	(20,150)
Proceeds from disposal of property, plant and equipment	216	400
Withdrawal/(Placement) in short term investments	-	2,001
Investment in joint venture company	-	(10,550)
Purchase of other investment	-	(38)
Repayment from/(advances to) investment in a joint venture	-	680
Interest received	2,023	631
Dividend received from other investment	37	37
Net cash used in investing activities	(47,903)	(26,989)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	114,800	-
Repayment of term loan	(63,611)	(21,561)
Payment of hire purchase and finance lease liabilities	(786)	(110)
Interest paid	(9,900)	(9,977)
Payment of lease liabilities	(13,065)	(10,733)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(372)	(372)
Dividend paid	(12,000)	(19,350)
Net cash generated from / (used in) financing activities	15,066	(62,103)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	206,902	(10,777)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	87,462	110,938
CASH AND CASH EQUIVALENTS CARRIED FORWARD	294,364	100,161
Represented by:		
Fixed deposits with a licensed bank	-	1,145
Cash and bank balances	294,364	99,016
	294,364	100,161

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 2024
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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 31.12.2022 RM'000	As at 31.12.2021 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
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	-	8,000
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	-
	-----	-----
	12,000	18,000
	=====	=====

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months ended		9 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
International Business Solutions				
Air Freight Forwarding Division	407,198	362,842	35,446	30,928
Ocean Freight Forwarding Division	254,790	200,710	13,669	8,627
Supply Chain Solutions Division	22,997	11,466	3,691	735
	684,985	575,018	52,806	40,290
	-----	-----	-----	-----
Domestic Business Solutions				
Contract Logistics Division	464,529	324,022	38,006	36,192
Cold Supply Chain Division	117,158	100,530	5,880	6,623
Trucking Division	73,523	61,082	2,831	175
	655,210	485,634	46,717	42,990
	-----	-----	-----	-----
Others	-	-	(5,249)	(25,507)
	-----	-----	-----	-----
Total	1,340,195	1,060,652	94,274	57,773
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A10. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment under current period review. As at 31 December 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.

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 2022 to the date of this report:

	As at 31.12.2022 RM'000	As at 31.12.2021 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	36,684	30,565
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	13,000
	59,834	56,115

A14. Capital Commitment

Authorised and contracted for

- acquisition of property, plant and equipment
- construction of warehouse building

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
	31,019	14,580
	103,945	144,258
	134,964	158,838

A15. Related Party Disclosures

	9 month ended	
	31.12.2022 RM'000	31.12.2021 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	115	219
Labour charges paid and payable to subsidiary companies	1,582	26,900
Labour charges received and receivable from subsidiary companies	218	105
Handling fees paid and payable to a subsidiary company	690	2,929
Handling fees received and receivable from a subsidiary company	1,004	771
Related logistic services paid and payable to a subsidiary company	274	213
Related logistic services received and receivable from a subsidiary company	6,825	1,945
Rental of premises received and receivable from subsidiary companies	1,859	1,422
Rental of premises paid and payable to a subsidiary company	4,912	4,860
Rental of trucks received and receivable from subsidiary company	885	1,059
Interest received and receivable from subsidiary companies	747	784
Disposal of property, plant and equipment to subsidiary companies	-	60
Transaction with immediate holding company		
Related logistic services received and receivable	89,807	69,189
Related logistic services paid and payable	33,347	34,741
Management services fee paid and payable	9,710	8,395
IT fees paid and payable	202	154
Transaction with related companies		
Related logistic services received and receivable	148,822	168,865
Related logistic services paid and payable	239,966	153,853
IT fees paid and payable	1,655	1,661
Transaction with associated company		
Rental of premises paid	564	846
Transaction with joint venture company		
Related logistic services received and receivable	144	538
Transaction with corporate shareholder of subsidiary company		
Repayment to corporate shareholder of subsidiary company	186	293
Interest paid and payable	61	207
Transaction with a company related to significant shareholder and directors		
Rental of premises paid and payable	919	919



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

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

	9 months ended			
	31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	1,340,195	1,060,652	279,543	26.4%
Profit from operations	103,399	66,916	36,483	54.5%
Profit before Interest and tax	104,174	67,750	36,424	53.8%
Profit before taxation	94,274	57,773	36,501	63.2%
Profit after taxation	70,296	42,021	28,275	67.3%
Profit Attributable to Ordinary Equity Holders of the Parent	69,001	40,266	28,735	71.4%

The Group achieved revenue of RM1.3 billion for the financial period ended ("FPE") 31 December 2022 as against RM1.1 billion a year earlier, an increase of RM279.5 million (26.4% per cent) year-on-year ("y-o-y"). Both International Business Solutions ("IBS") and Domestic Business Solutions ("DBS") segments recorded y-o-y commendable higher revenue. Revenue of IBS segment hiked by 19.1 per cent (RM110.0 million), from RM575.0 million to RM685.0 million y-o-y. Whilst DBS business remained robust by recording 34.9 per cent (RM169.6 million) higher revenue from RM485.6 million to RM655.2 million.

In the IBS segment, Air Freight Forwarding ("AFF") division recorded an increase of RM44.4 million (12.2 per cent), from RM362.8 million to RM407.2 million y-o-y. AFF revenue growth was underpinned by strong air shipments support from aerospace, electronic capacitor, automotive parts, business equipment and electronics & electrical ("E&E") customers. Newly secured insulation product manufacturing customer and increased shipments contribution from solar panels, automotive parts, aerospace, aluminium and glass fibre/electronic glass materials manufacturing customers bolstered Ocean Freight Forwarding ("OFF") division's revenue to hike by RM54.1 million (26.9 per cent), from RM200.7 million to RM254.8 million y-o-y.

Within IBS segment, 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. SCS division recorded twofold revenue hike from RM11.5 million to RM23.0 million, an increase of 100.6 per cent (RM11.5 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 revenue increase of RM140.5 million (43.4 per cent), from RM324.0 million to RM464.5 million. Within CL division, Custom Clearance and Warehouse businesses were the major revenue contributors to CL division. Revenue of Custom Clearance business was up by RM102.1 million (68.5 per cent), from RM148.9 million to RM250.9 million underpinned by newly secured office equipments and insulation product manufacturing customers coupled with increase business from solar panel & food manufacturers. Meanwhile, increase warehousing volume from solar panel and healthcare customers coupled with newly secured sport apparel customer pushed revenue of Warehouse business to rise from RM105.7 million to RM143.2 million, an increase of RM37.5 million (35.4 per cent). In-Plant business posted an increase of RM2.5 million (12.8 per cent), rose from RM19.9 million to RM22.5 million on the back of food manufacturing and E&E customers. However, Haulage business experienced y-o-y revenue drop of RM1.5 million (3.1 per cent) from RM49.5 million to RM48.0 million, largely attributable to volume drop from an existing E&E customer.

The Cold Supply Chain ("CSC") division contributed revenue to DBS segment by posting an increase of RM16.6 million (16.5 per cent), from RM100.5 to RM117.2 million y-o-y. Increase in CSC revenue was mainly contributed from ice-cream, food & convenient retail customers.

As for Trucking division, revenue rise from RM61.1 million to RM73.5 million, a y-o-y increase of RM12.4 million (20.4 per cent). The increase was largely contributed from solar panel and food manufacturing and retail customers and cross-border Thailand and Singapore trucking services.

Profit from operations for the year ended 31 December 2022 soared from RM66.9 million to RM103.4 million, an increase of RM36.5 million (54.5 per cent). Profit before taxation ("PBT") for the year ended 31 December 2022 was up by RM36.5 million (63.2 per cent), from RM57.7 million to RM94.3 million y-o-y. Profit after tax ("PAT") for the year ended 31 December 2022 went up from RM42.0 million to RM70.3 million, a y-o-y increase of RM28.3 million (67.3 per cent).

With an increase in revenue and better profit margin in IBS segment, PBT of IBS surged by 31.1 per cent (RM12.5 million), from RM40.3 to RM52.8 million y-o-y. Within IBS, PBT of AFF division rose from RM30.9 million to RM35.4 million, an increase of RM4.5 million (14.6 per cent), while PBT of OFF division soared with an increase of RM5.0 million (58.4 per cent), from RM8.6 million to RM13.7 million y-o-y. SCS recorded a significant increase of RM3.0 million (402.2 per cent), from RM0.7 million to RM3.7 million y-o-y.

PBT of DBS segment was also uplifted by RM3.7 million (8.7 per cent) from RM43.0 million to RM46.7 million y-o-y. The increase was greatly contributed from CL and Trucking divisions. PBT of CL division was up by RM1.8 million (5.0 per cent), increased from RM36.2 million to RM38.0 million. Meanwhile, chartered and project as well as cross border trucking businesses resulted in PBT of Trucking division significantly improved from RM0.2 million to RM2.8 million, an increase of RM2.6 million (1519.3 per cent) y-o-y. However, the increase in PBT from CL and Trucking divisions was partially offset by PBT reduction from CSC division. CSC division recorded a reduction of RM0.7 million (11.2 per cent), from RM6.6 million to RM5.9 million, mainly attributable to reduction in other income.


B1. Performance Review : Year-to-date April 2022-December 2022 vs Year-to-date April 2021-December 2021 (Continue)

Within CL division, PBT of warehouse business increased by RM3.4 million (15.0 per cent), from RM22.7 million to RM26.1 million y-o-y. Labour cost recovery from customers due to increase in minimum wage helped In-Plant business to post higher PBT from RM2.1 million to RM2.7 million, an increase of RM0.5 million (25.9 per cent). Despite increase in revenue, PBT of custom clearance business was down from RM4.5 million to RM3.5 million, a drop of RM1.0 million (22.6 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 RM1.1 million (16.5 per cent) y-o-y, from RM6.9 million to RM5.8 million on the back of reduction in delivery of containers of a major E&E customer and fleet operating costs.

Besides PBT improvement from the above business segments, bottom-line from Support segment improved by RM20.3 million (79.4 per cent), mainly due to RM15.9 million reduction from a write-off recognised in 3Q of last corresponding year, 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 last year as well as partly attributed to increase in realised forex gain resulting from strengthened USD.

B2. Comparison with Previous Year Corresponding Quarter's Results : October 2022 to December 2022 vs October 2021 to December 2021

	3 months ended			
	31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	392,688	455,087	(62,399)	-13.7%
Profit from operations	31,318	15,326	15,992	104.3%
Profit before Interest and tax	31,773	15,714	16,059	102.2%
Profit before taxation	28,342	12,466	15,876	127.4%
Profit after taxation	20,825	9,621	11,204	116.5%
Profit Attributable to Ordinary Equity Holders of the Parent	20,437	8,813	11,624	131.9%

The Group's revenue of the third quarter ended 31 December 2022 ("3QFY2023") was registered at RM392.7 million, as against revenue of RM455.1 million in the last year quarter ended 31 December 2021 ("3QFY2022"). This represents a decrease of RM62.4 million (13.7 per cent). Revenue of IBS segment decreased to RM184.9 million from RM294.4 million q-o-q, a decrease of RM109.5 million (37.2 per cent). However, the revenue reduction from IBS segment was partially offset by increased revenue from DBS segment. DBS remained sustainable by recording an uplifted revenue from RM160.7 million to RM207.8 million, an increase of RM47.1 million (29.3 per cent) q-o-q.

Downward trend in market freight rates resulted in the IBS segment to post lower revenue as against corresponding quarter. Within the IBS segment, AFF division posted a decrease of RM72.0 million (39.0 per cent) in revenue from RM184.8 million to RM112.7 million, mainly due to the less business volume contribution particularly from/to US and Russia market. Despite OFF having secured a new insulation product manufacturing customer, OFF recorded a drop in revenue from RM104.1 million to RM64.1 million, a decrease of RM40.0 million (38.4 per cent) q-o-q, largely due to reduced shipments from solar panel manufacturing, aerospace, aluminium, plastic compounding manufacturing and healthcare customers. However, the decrease in AFF and OFF division was offset by the increase in revenue from SCS division. SCS recorded a rise in revenue from RM5.6 million to RM8.1 million, an increase of RM2.5 million (44.7 per cent) q-o-q on the back of retail logistics business.

Within the DBS segment, the revenue of the CL division rose from RM105.5 million to RM144.7 million, representing an increase of RM39.2 million (37.2 per cent). The increase was contributed from Custom Clearance, Haulage, Warehouse and In-Plant businesses. Within CL Division, revenue from custom clearance business was increased by RM28.7 million (62.3 per cent) from RM46.1 million to RM74.8 million, mainly contributed from solar panel, E&E and food manufacturing customers coupled with contribution from newly secured insulation products manufacturing and office equipment customers. Increase containers volume from newly secured insulation product manufacturing, solar panel and food manufacturing and musical instruments customers resulted haulage business to post higher revenue by RM0.7 million (4.3 per cent), from RM15.9 million to RM16.6 million q-o-q. Revenue of warehouse business rose by RM8.7 million (24.1 per cent) from RM36.3 million to RM45.0 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 RM7.2 million to RM8.2 million, increased by RM1.0 million (14.7 per cent). The increase was mainly contributed from food manufacturing customer.

CSC division also contributed an increase in revenue of RM4.4 million (13.2 per cent), from RM33.3 million to RM37.7 million q-o-q on the back of increase business 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 RM21.9 million to RM25.4 million, representing an increase of RM3.5 million (16.1 per cent).

PBT for 3QFY2023 increased from RM12.5 million to RM28.3 million as against 3QFY2022, an increase of RM15.9 million (127.4 per cent). Correspondingly, PAT for 3QFY2023 rose by RM11.2 million (116.5 per cent) from RM9.6 to RM20.8 million. PBT from IBS segment decreased by RM3.6 million (18.1 per cent), from RM20.2 million to RM16.6 million. On the other hand, DBS segment posted an increase of RM2.4 million (15.9 per cent) from RM15.0 million to RM17.4 million q-o-q.


B2. Comparison with Previous Year Corresponding Quarter's Results : October 2022 to December 2022 vs October 2021 to December 2021 (Continue)

Under the roof of the IBS segment, except for SCS division which recorded increase in PBT from RM0.5 million to RM1.8 million, an increase of RM1.3 million (273.7 per cent), PBT of AFF & OFF division was down by RM3.8 million (21.7 per cent) and RM1.1 million (24.3 per cent) respectively on the back of reduced revenue q-o-q.

Within the DBS segment, PBT of the CL division rose from RM11.9 million to RM14.5 million, representing an increase of RM2.6 million (21.7 per cent). Within CL division, Haulage business posted an increase of RM1.1 million (70.0 per cent) from RM1.5 million to RM2.6 million. PBT of Warehouse business was uplifted by RM1.2 million (15.0 per cent) from RM7.9 million to RM9.1 million, and PBT of In-plant business was increased by RM0.8 million (92.1 per cent) from RM0.9 million to RM1.6 million q-o-q. However, the increases was partially offset by PBT drop from Custom Clearance business. PBT of Custom Clearance business dropped from RM1.6 million to RM1.2 million, reduced by RM0.4 million (27.1 per cent).

PBT of Trucking division was uplifted from RM0.7 million to RM1.3 million, representing an increase of RM0.6 million (80.8 per cent). Whereas PBT of CSC division was down by RM0.8 million (32.1 per cent) from RM2.4 million to RM1.6 million q-o-q.

Apart from PBT of the above operating business segments, reduction in non-operating and general expenses from RM22.8 million to RM5.6 million, represented an improvement of RM17.1 million (75.2 per cent) q-o-q from Support division. The high loss incurred in the corresponding quarter of last year was mainly attributable to 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, which amounted to RM15.9 million.

B3. Comparison with Preceding Quarter's Results: October 2022 to December 2022 vs July 2022 to September 2022

	3 months ended			
	31.12.2022	30.09.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	392,688	493,949	(101,261)	-20.5%
Profit from operations	31,318	36,131	(4,813)	-13.3%
Profit before Interest and tax	31,773	36,269	(4,496)	-12.4%
Profit before taxation	28,342	33,015	(4,673)	-14.2%
Profit after taxation	20,825	24,572	(3,747)	-15.2%
Profit Attributable to Ordinary Equity Holders of the Parent	20,437	24,131	(3,694)	-15.3%

The Group's revenue of the third quarter ended 31 December 2022 ("3QFY2023") was registered at RM392.7 million, as against revenue of RM493.9 million of the last quarter ended 30 September 2022 ("2QFY2023"). This represents a decrease of RM101.3 million (20.5 per cent). Downward trend in freight rates coupled with market slow down impacted IBS and DBS segments to post lower revenue in 3QFY2023 as against 2QFY2023. IBS segment to post lower revenue of RM54.0 million (22.6 per cent), from RM238.9 million to RM184.9 million. Revenue of DBS segment was down by RM47.2 million (18.5 per cent), from RM255.0 million to RM207.8 million.

Within the IBS segment, AFF division showed a decrease in revenue from RM139.2 million to RM112.7 million, a reduction of RM26.5 million (19.0 per cent). Whist OFF also posted a decrease in revenue from RM92.0 million to RM64.1 million, a reduction of RM27.9 million (30.3 per cent) as against 2QFY2023. The drop in AFF & OFF business was mainly attributable to reducing freight rates in the overall freight market. However, it was partially offset by the increased revenue from SCS division. SCS division posted an increased revenue from RM7.7 million to RM8.1 million, an increase of RM0.4 million (4.6 per cent). The increase was largely contributed from a new project of ocean consolidation management business in 3QFY2023.

Within the DBS segment, broad base reduction in business volume from E&E, food, musical instrument and solar panel manufacturing customers resulted revenue of the CL division dropped by RM39.4 million (21.4 per cent), from RM184.0 million to RM144.7 million. Revenue from the Trucking division was down from RM28.3 million to RM25.4 million, a decrease of RM2.9 million (10.1 per cent) on the back of reduced deliveries of solar panel manufacturing, E&E, food manufacturing and musical instrument customers. CSC showed a decrease of RM5.0 million (11.7 per cent), from RM42.7 million to RM37.7 million as against 2QFY2023.

Within the CL division, the Customs Clearance business posted a decrease of RM32.9 million (30.6 per cent), from RM107.8 million to RM74.8 million. The Haulage business also experienced a drop of RM0.4 million (2.3 per cent), from RM17.0 million to RM16.6 million. At the same time, the Warehouse business also showed a decrease of RM6.9 million (13.3 per cent), from RM51.9 million to RM45.0 million. However, the decrease in revenue in Custom Clearance, Haulage and Warehouse business was offset d by increase in the In-Plant business, which contributed an increase of RM0.9 million (12.0 per cent), from RM7.4 million to RM8.2 million, arising from partial labour cost recovery from customer due to increase of minimum wage.

Profit from operations for Q3FY2023 was down by RM4.8 million (13.3 per cent) from RM36.1 million to RM31.3 million as against preceding quarter. PBT for Q3FY2023 decreased from RM33.0 million to RM28.3 million, as against preceding quarter, showing a decrease of RM4.7 million (14.2 per cent). IBS segment recorded a reduction in PBT by RM1.2 million (6.5 per cent), from RM17.7 million to RM16.6 million. Whereas DBS segment remained strong to record an increase of RM1.4 million (8.7 per cent), an increase from RM16.0 million to RM17.4 million.



B3. Comparison with Preceding Quarter's Results: October 2022 to December 2022 vs July 2022 to September 2022 (Continue)

Within IBS segment, with the reduced handling volume and freight rates, AFF experienced a decrease in PBT of RM1.6 million (12.6 per cent) from RM12.7 million to RM11.1 million, whereas PBT of OFF was down by RM0.5 million (11.8 per cent) from RM4.1 million to RM3.6 million. PBT reduction in AFF and OFF divisions was partially cushioned by the increase in SCS division. PBT of SCS rose by RM0.9 million (106.0 per cent) from RM0.9 million to RM1.8 million as against the preceding quarter.

PBT from DBS segment increased from RM16.0 million to RM17.4 million, an increase in PBT of RM1.4 million (8.7 per cent). The increase was mainly contributed from CL division and Trucking division. CL division posted higher PBT by RM1.6 million (12.2 per cent) from RM12.9 million to RM14.5 million as against the preceding quarter. Trucking division showed an increase in PBT of RM0.1 million (10.7 per cent) from RM1.2 million to RM1.3 million. CSC experienced a decrease in PBT of RM0.3 million (15.7 per cent) from RM1.9 million to RM1.6 million underpinned by reduced topline.

Within CL division, except for Custom Clearance business posted a decrease in PBT of RM0.4 million (26.4 per cent) from RM1.6 million to RM1.2 million. Haulage, Warehouse and In-Plant businesses contributed increases in PBT as against last preceding quarter. PBT of Haulage business was up by RM0.8 million (48.3 per cent) from RM1.7 million to RM2.6 million. Whilst Warehouse business recorded an increase of RM0.2 million (2.5 per cent), from RM8.9 million to RM9.1 million. Partial labour cost recovery from customer resulted In-Plant business to record higher PBT of RM0.9 million (138.3 per cent) from RM6.9 million to RM1.6 million as against the preceding quarter.

In addition, the PBT from IBS and DBS segments was partially offset by increased non operating expenses in Support segment by RM4.9 million as against last preceding quarter, largely arising from unrealised forex loss.

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 30 January 2023 stated that global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 WEO, but well below the recent historical average of 3.8 percent. IMF said that the rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Nevertheless, the balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible scenarios. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate, and tighter global financing costs could worsen debt distress.
(Source: IMF WEO Report dated 30 January 2023)

On the domestic front, Bank Negara Malaysia (BNM) had on 19 January 2023 unexpectedly kept its Overnight Policy Rate (OPR) unchanged at 2.75 percent, signalling worries about economic growth after four consecutive rate hikes last year. BNM also said that the latest economic data indicated continued economic expansion in the final quarter of last year on account of resilient domestic demand. This was on the back of stronger growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). As a result, growth for 2022 is expected to exceed the earlier projected range of 6.5% to 7.0%. Coming off a strong performance in 2022, growth in 2023 is expected to moderate amid a slower global economy. Growth will remain supported by domestic demand. Household spending will be underpinned by sustained improvements in employment and income prospects. Tourist arrivals have continued to rise, further lifting the tourism-related sectors. The realisation of multi-year infrastructure projects will support investment activity. Nevertheless, BNM warned that downside risks to the domestic economy continue to stem from a weaker-than-expected global growth, higher risk aversion in global financial markets amid more aggressive monetary policy tightening in major economies, further escalation of geopolitical conflicts, and re-emergence of significant supply chain disruptions.
(Source: BNM's Monetary Policy Statement dated 19 January 2023)

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

The health of the logistics industry is closely aligned with the economic activity and international trade and as such, the prospects of the Group are closely tied to the performance of the global as well as domestic economy. For the quarter under review which is the last but one quarter of our FY2023, our Group continued to show resilience by registering higher year-to-date revenue as well as profits vis-à-vis FY2022 (+26% and +98% respectively). However, the revenue of our current quarter itself is about 13% below that of the corresponding quarter of FY2022. As explained above, this was mainly due to both AFF and OFF registering comparatively lower sales revenue, which in turn was largely due to the normalizing of market freight rates since the reopening of the economy. Nevertheless, our resilience as a total logistics solution provider saw our contract logistics and cold-chain logistics segments outperforming to mitigate the reduction in our international segment. 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. Hence, even as the international freight market has been declining to pre-pandemic levels, our results in the domestic logistics segment, in particular contract logistics, saw a compensating upswing. Looking into the prospects of the Group for the rest of the financial year, we are cautiously optimistic about our performance for the last quarter of our financial year. Nevertheless, the global economic environment remains challenging due to the global inflationary pressure, geopolitical tensions and the continued tightening of fiscal policy by central banks around the world driving up interest rates and risk of recession. Downside risks for our Group would be the inflationary pressure on our operating costs, labour shortages, and the risk of recession or stagflation in global or local economy. 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	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Income tax				
- Current tax	(9,152)	(4,043)	(24,725)	(16,718)
- overprovision in prior years	23	307	23	307
Deferred tax				
- Current year	1,214	1,121	410	889
- Overprovision in prior years	398	(230)	314	(230)
	(7,517)	(2,845)	(23,978)	(15,752)

The Group's effective tax rates for the cumulative 9 months ended 31 December 2022 and 31 December 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 3rd quarter ended 31.12.2022					
	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	-	1,670	-	1,566	-	3,236
Lease liabilities	-	3,280	-	13,832	-	17,112
Bank loan (unsecured)	-	163,563	-	68,653	-	232,216
Bank loan (secured)	-	29,870	-	6,814	-	36,684
Amounts owing to corporate shareholder of subsidiary company	-	3,829	-	372	-	4,201
Total borrowings	-	202,212	-	91,237	-	293,449

**B8. Borrowing (continue)**

	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 liabilities	-	849	-	532	-	1,381
Lease liabilities	-	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

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 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

	3 months ended		Cumulative 9 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
PAT after non-controlling interest (RM'000)	20,437	8,813	69,001	40,266
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	2.55	1.10	8.63	5.03

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 2022. 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 2022 and 31 December 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 9 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit for the period is arrived at after crediting:				
Interest income	875	398	2,023	631
Fair value gain on short term investments	-	-	-	67
Other income	277	1,052	705	2,223
Allowance for doubtful debts no longer required	-	16	-	16
Realised foreign exchange gain	1,403	-	2,315	-
Unrealised foreign exchange gain	325	3,736	4,698	3,736
Dividend income	-	-	37	37
and after charging:				
Interest expenses	3,431	3,248	9,900	9,977
Property, plant and equipment written off	4	15,923	7	15,923
Depreciation of property, plant and equipment	7,735	14,968	22,847	21,646
Amortisation of right-of-use assets	3,981	11,012	12,184	11,012
Loss on disposal of property, plant and equipment	132	22	216	22
Allowance for doubtful debts	-	303	265	303
Realised foreign exchange loss	689	212	1,807	299
Unrealised foreign exchange loss	4,485	4,963	5,768	4,963

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 31 December 2022.