

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



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
31 March 2023

Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 31-March-2023

	3 months ended		Cumulative 12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Audited
Revenue	266,639	420,761	1,606,834	1,481,413
Cost of sales	(223,983)	(372,262)*	(1,406,898)	(1,297,792)*
Gross profit	42,656	48,499	199,936	183,621
Other income	3,010	(2,048)	4,705	4,684
Administrative and general expenses	(13,875)	(17,552)*	(69,687)	(70,628)*
Other Expenses	(2,005)	4,358	(1,769)	(17,505)
Profit from operations	29,786	33,257	133,185	100,172
Finance costs	(3,572)	(3,219)	(13,472)	(13,196)
Share of results of associated company and joint venture	71	337	846	1,171
Profit before taxation	26,285	30,375	120,559	88,147
Tax expense	(4,321)	(4,674)	(28,299)	(20,426)
Profit for the period	21,964	25,701	92,259	67,721
Profit Attributable to:				
Owners of the Company	21,798	24,985	90,798	65,250
Non-Controlling Interest	166	716	1,461	2,471
	21,964	25,701	92,259	67,721
Earnings per share (sen) - basic	2.72	3.12	11.35	8.16

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.

* RM20,319,703 sales commission of freight business of 3 months and Year-to-Date ended 31.03.22 is reclassified from administrative and general expenses to cost of sales for comparative figures.

**Condensed Consolidated Statement of Comprehensive Income
 For The Quarter And Year-To-Date Ended 31-March-2023**

	3 months ended		Cumulative 12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Audited
Profit for the period	21,964	25,701	92,259	67,721
Other Comprehensive Income:				
Exchange differences on translation foreign operation	-	-	-	-
Reversal of deferred tax liability pertaining to gain on revaluation of properties	18	-	18	-
Fair Value adjustment on cash flow hedge	-	-	-	-
Other comprehensive income/(Loss) for the period, net of tax	18	-	18	-
Total Comprehensive Income	21,982	25,701	92,277	67,721
Total Comprehensive Income attributable to:				
Owners of the Company	21,816	24,985	90,816	65,250
Non-Controlling Interest	166	716	1,461	2,471
	21,982	25,701	92,277	67,721

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-March-2023

	As at 31.03.2023 RM'000 Unaudited	As at 31.03.2022 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	586,119	518,089
Right-of-use assets	13,016	26,511
Goodwill	81,864	81,864
Investment in associated company	3,722	3,562
Investment in joint ventures	14,594	14,107
Other assets	962	962
Deferred Tax assets	535	324
Total non-current assets	700,811	645,419
Current assets		
Trade receivables	289,368	338,780
Contract Asset	265,278	211,879
Other receivables, deposits and prepayments	20,698	25,391
Amount owing by immediate holding company	5,850	12,842
Amounts owing by related companies	11,141	50,673
Amounts owing by associated company	174	50
Amount owing by a joint venture company	1	16
Current tax asset	764	554
Cash and bank balances	241,143	87,462
Total current assets	834,417	727,647
TOTAL ASSETS	1,535,228	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-March-2023

	As at 31.03.2023 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	493,529	414,713
Equity attributable to owners of the Company	595,666	516,850
Non-controlling interest	68,204	68,093
Total equity	663,870	584,943
Non-current liabilities		
Amounts owing to corporate shareholder of subsidiary company	3,829	4,201
Hire purchase payables	1,322	1,221
Lease liabilities	2,277	12,178
Bank term loans	186,002	147,004
Deferred tax liabilities	24,427	22,595
Total non-current liabilities	217,857	187,199
Current liabilities		
Trade payables	478,749	421,774
Contract liability	1,394	1,661
Other payables, deposits and accruals	62,478	60,077
Amount owing to immediate holding company	2,257	3,070
Amounts owing to related companies	15,593	21,892
Amounts owing to associated company	941	940
Hire purchase payables	1,566	736
Lease liabilities	11,989	16,375
Bank term loans	31,477	70,708
Amounts owing to corporate shareholder of subsidiary company	462	471
Revolving credit	44,000	-
Current tax liabilities	2,595	3,220
Total current liabilities	653,501	600,924
Total liabilities	871,358	788,123
TOTAL EQUITY AND LIABILITIES	1,535,228	1,373,066
Net Assets per share (RM)	0.74	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-March-2023

----- 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 year	-	-	-	65,250	65,250	2,471	67,721
Dividends paid (Note A8)	-	-	-	(18,000)	(18,000)	(1,350)	(19,350)
Balance at 31 March 2022	100,801	1,401	(65)	414,713	516,850	68,093	584,943
Balance at 1 April 2022	100,801	1,401	(65)	414,713	516,850	68,093	584,943
Total comprehensive income for the year	-	-	-	90,816	90,816	1,461	92,277
Dividends paid (Note A8)	-	-	-	(12,000)	(12,000)	(1,350)	(13,350)
Balance at 31 March 2023	100,801	1,401	(65)	493,529	595,666	68,204	663,870

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-March-2023

	Year-To-Date Ended	
	31.03.2023 RM'000 Unaudited	31.03.2022 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,559	88,147
Adjustments for:		
Allowance for doubtful debts	341	425
Depreciation of property, plant and equipment	30,754	28,956
Depreciation of right-of-use assets	16,166	16,243
Gain on disposal of property, plant and equipment	(269)	(1,168)
Gain on early termination of lease contracts	(3)	(32)
Fair value gain on short term investments	-	(69)
Property, plant and equipment written off	88	16,025
Share of profits of associated company and joint ventures net of tax	(846)	(1,171)
Interest income	(3,330)	(832)
Dividend income	(37)	(37)
Interest expense	13,472	13,196
Unrealised (gain) / loss on foreign exchange	(459)	745
Operating profit before working capital changes	176,436	160,428
Changes in receivables	49,138	(418,079)
Changes in payables	46,299	380,450
Cash generated from operations	271,873	122,799
Net Tax paid	(27,481)	(21,137)
Net Cash generated from operating activities	244,392	101,662
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94,203)	(46,787)
Proceeds from disposal of property, plant and equipment	768	1,628
Investment in joint venture company	-	(10,550)
Purchase of other investment	-	(38)
Repayment from/(advances to) a joint venture	200	680
Redemption of short term investment	-	5,507
Advances to associated company	(125)	-
Interest received	3,330	832
Dividend received from other investment	37	37
Net cash used in investing activities	(89,993)	(48,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	70,800	-
Drawdown of revolving credit	44,000	-
Repayment of term loan	(71,033)	(28,764)
Repayment from related companies	517	-
Payment of hire purchase and finance lease liabilities	(1,134)	(309)
Interest paid	(13,479)	(13,204)
Payment of lease liabilities	(16,756)	(14,366)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(372)	(372)
Revised of right-of-use assets/lease	34	-
Dividends paid to non-controlling interest of subsidiary company	(1,350)	(1,350)
Dividend paid	(12,000)	(18,000)
Net cash used in financing activities	(773)	(76,365)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	153,626	(23,394)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	87,462	110,938
EFFECT OF EXCHANGE RATE CHANGES	55	(82)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	241,143	87,462
Represented by:		
Cash and bank balances	241,143	87,462
	241,143	87,462

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
Amendment 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.

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

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

A8. Dividends paid

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

<u>Interim /final dividend</u>	As at 31.03.2023 RM'000	As at 31.03.2022 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)	
	12 months ended		12 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
International Business Solutions				
Air Freight Forwarding Division	485,775	512,657	41,273	47,581
Ocean Freight Forwarding Division	287,415	302,197	15,637	13,246
Supply Chain Solutions Division	30,807	17,511	4,355	1,394
	803,997	832,365	61,265	62,221
Domestic Business Solutions				
Contract Logistics Division	545,721	428,580	47,596	43,278
Cold Supply Chain Division	155,257	135,848	7,388	8,556
Trucking Division	101,859	84,620	6,581	619
	802,837	649,048	61,564	52,454
Others	-	-	(2,271)	(26,528)
Total	1,606,834	1,481,413	120,559	88,147

A10. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment under current period review. As at 31 March 2023, 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 March 2023 to the date of this report:

	As at 31.03.2023 RM'000	As at 31.03.2022 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	3,000
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	35,426	29,478
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	13,000
Corporate guarantee in favour of Swift Logistics Integrated Logistics (SIL) for Hypercold Logistics Sdn Bhd's loan which is 100% guaranteed by SIL	-	2,176
	58,576	54,804

A14. Capital Commitment

	As at 31.03.2023 RM'000	As at 31.03.2022 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	38,498	6,364
- construction of warehouse building	125,625	136,843
	164,123	143,207

A15. Related Party Disclosures

	12 month ended	
	31.03.2023 RM'000	31.03.2022 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	154	272
Labour charges paid and payable to subsidiary companies	1,927	34,945
Labour charges received and receivable from subsidiary companies	277	268
Maintenance charges paid and payable to a subsidiary company	-	-
Handling fees paid and payable to a subsidiary company	766	2,905
Handling fees received and receivable from a subsidiary company	1,420	643
Related logistic services paid and payable to a subsidiary company	484	425
Related logistic services received and receivable from a subsidiary company	4,240	3,287
Rental of premises received from a subsidiary company	-	1,422
Rental of premises paid and payable to a subsidiary company	6,026	6,593
Rental of premises received and receivable from subsidiary companies	3,043	2,483
Rental of trucks received and receivable from subsidiary company	1,153	1,514
Loan received and receivable from subsidiary companies	-	-
Interest received and receivable from subsidiary companies	1,220	1,048
Disposal of property, plant and equipment to subsidiary companies	-	60
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	-	-
Warehouse rental received and receivables from a subsidiary company	-	60
	105,776	100,236
Transaction with immediate holding company		
Related logistic services received and receivable	40,495	45,936
Related logistic services paid and payable	11,523	11,373
Management services fee paid and payable	271	193
IT fees paid and payable	-	-



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

A15. Related Party Disclosures (continue)

	12 month ended	
	31.03.2023 RM'000	31.03.2022 RM'000
Transaction with related companies		
Related logistic services received and receivable	174,766	239,487
Related logistic services paid and payable	287,455	219,832
IT fees paid and payable	2,439	2,427
	=====	=====
Transaction with associated company		
Rental of premises paid	752	752
	=====	=====
Transaction with joint venture company		
Related logistic services received and receivable	193	195
	=====	=====
Transaction with corporate shareholder of subsidiary company		
Repayment to corporate shareholder of subsidiary company	372	372
Interest paid and payable	237	257
	=====	=====
Transaction with a company related to significant shareholder and directors		
Rental of premises paid and payable	1,225	1,225
	=====	=====

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

B1. Performance Review : Year-to-date April 2022-March 2023 vs Year-to-date April 2021-March 2022

	12 months ended			
	31.03.2023	31.03.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	1,606,834	1,481,413	125,421	8.5%
Profit from operations	133,185	100,172	33,013	33.0%
Profit before Interest and tax	134,031	101,343	32,688	32.3%
Profit before taxation	120,559	88,147	32,412	36.8%
Profit after taxation	92,259	67,721	24,538	36.2%
Profit Attributable to Ordinary Equity Holders of the Parent	90,798	65,250	25,548	39.2%

The Group achieved commendable revenue of RM1.61 billion for the financial year ended ("FPE") 31 March 2023 as against RM1.48 billion a year earlier, an increase of RM125.4 million (8.5 per cent) year-on-year ("y-o-y"). Revenue from Domestic Business Solutions ("DBS") segment recorded a 23.7 per cent up from RM649.0 million to RM802.8 million, representing an increase of RM153.8 million. Revenue from International Business Solutions ("IBS") showed a decrease of RM28.4 million (3.4 per cent) from RM832.4 million to RM804.0 million.

Normalisation of freight rates was the main reason which caused drop in revenue of IBS segment. In the IBS segment, Air Freight Forwarding ("AFF") division posted decrease of RM26.9 million (5.2 per cent), from RM512.7 million to RM485.8 million y-o-y. The drop was also attributable to shipments reduction from automotive parts, electronic capacitor and E&E customers. Revenue of Ocean Freight Forwarding ("OFF") division was down by RM14.8 million (4.9 per cent), from RM302.2 million to RM287.4 million y-o-y, mainly due to reduced shipments contribution from solar panel and food distribution customers.

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 revenue hike from RM17.5 million to RM30.8 million, an increase of 75.9 per cent (RM13.3 million) y-o-y on the back of retail logistics business.

In the DBS segment, Contract Logistics ("CL") division remained robust to record y-o-y revenue increase of RM117.1 million (27.3 per cent), from RM428.6 million to RM545.7 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 RM78.2 million (40.9 per cent), from RM191.4 million to RM269.6 million underpinned by newly secured office equipments and insulation product manufacturing customers coupled with increase businesses 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 RM142.2 million to RM181.7 million, an increase of RM39.5 million (27.8 per cent). In-Plant business also recorded y-o-y revenue increase of RM1.7 million (6.0 per cent), from RM28.4 million to RM30.1 million on the back of food manufacturing customer. However, it was partially offset by revenue drop in Haulage business. Haulage revenue was down from RM66.6 million to RM64.3 million, a decline of RM2.3 million (3.4 per cent), 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 RM19.4 million (14.3 per cent), from RM135.8 million to RM155.3 million. Increase in CSC revenue was mainly contributed from ice-cream, food & convenient retail customers. As for Trucking division, revenue rose from RM84.6 million to RM101.9 million, a y-o-y increase of RM17.2 million (20.4 per cent) underpinned by solar panel, E&E, food manufacturing and retail customers and cross-border Thailand and Singapore trucking services.

Profit from operations for the year ended 31 March 2023 hiked by RM33.0 million (33.0 per cent) from RM100.2 million to RM133.2 million y-o-y. Profit before taxation ("PBT") for the year ended 31 March 2023 surged from RM88.1 million to RM120.6 million, an increase of RM32.4 million (36.8 per cent), and profit after tax ("PAT") for the year was up from RM67.7 million to RM92.6 million, a y-o-y increase of RM24.5 million (36.2 per cent).

With a drop in revenue, PBT of IBS segment dropped from RM62.2 million to RM61.3 million, a y-o-y drop of RM0.9 million (1.5 per cent). Within IBS, PBT of AFF division reduced from RM47.6 million to RM41.3 million, a decrease of RM6.3 million (13.3 per cent). However the drop was partially cushioned by the increases in PBT of OFF and SCS divisions. PBT of OFF division recorded an increase of RM2.4 million (18.1 per cent), from RM13.2 million to RM15.6 million y-o-y on the back of better profit margin. Whilst SCS showed a surge of RM3.0 million (212.3 per cent) in PBT, from RM1.4 million to RM4.4 million at the back of order management and retail logistics business.

PBT of DBS segment was also uplifted by RM9.1 million (17.4 per cent) from RM52.5 million to RM61.6 million y-o-y. The increase was greatly contributed from CL and Trucking divisions. Within DBS, CL division contributed y-o-y increase of RM4.3 million (10.0 per cent), from RM43.3 million to RM47.6 million. Meanwhile, chartered and project as well as cross-border trucking businesses pushed Trucking division to report surging PBT from RM0.6 million to RM6.6 million, a y-o-y increase of RM6.0 million (963.6 per cent). However, the increases in PBT of CL and Trucking divisions were partially offset by PBT reduction from CSC division. CSC division recorded a reduction of RM1.2 million (13.7 per cent), from RM8.6 million to RM7.4 million, mainly attributable to reduction in other income.

Within CL division, PBT of warehouse business increased by RM5.1 million (18.5 per cent), from RM27.9 million to RM33.0 million y-o-y. Labour cost recovery from customers due to increase in minimum wage helped In-Plant business to post higher PBT from RM2.8 million to RM3.5 million, an increase of RM0.7 million (25.4 per cent). Despite increase in revenue, PBT of custom clearance business was down from RM3.7 million to RM2.9 million, a drop of RM0.8 million (21.6 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 RM0.7 million (8.3 per cent) y-o-y, from RM8.9 million to RM8.2 million on the back of reduction in delivery of containers of an E&E customer and fleet operating costs.

Besides PBT improvement from the above business segments, bottom-line from Support segment improved by RM24.2 million (91.4 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 partial contribution from increase in interest income by RM2.5 million.


B2. Comparison with Previous Year Corresponding Quarter's Results : January 2023 to March 2023 vs January 2022 to March 2022

	3 months ended			
	31.03.2023	31.03.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	266,639	420,761	(154,122)	-36.6%
Profit from operations	29,786	33,257	(3,471)	-10.4%
Profit before Interest and tax	29,857	33,594	(3,737)	-11.1%
Profit before taxation	26,285	30,375	(4,090)	-13.5%
Profit after taxation	21,964	25,701	(3,737)	-14.5%
Profit Attributable to Ordinary Equity Holders of the Parent	21,798	24,985	(3,187)	-12.8%

The Group's revenue of the fourth quarter ended 31 March 2023 ("4QFY2023") was registered at RM266.6 million, as against revenue of RM420.8 million of the last year quarter ended 31 March 2022 ("4QFY2022"). This represents a decrease of RM154.1 million (36.6 per cent). Freight rates normalisation caused IBS segment to post decrease in revenue from RM257.3 million to RM119.0 million, representing a q-o-q drop of RM138.3 million (53.8 per cent) while revenue of DBS segment decreased by RM15.8 million (9.7 per cent), from RM163.4 million to RM147.6 million q-o-q.

Within the IBS segment, AFF division posted RM71.2 million (47.6 per cent) decrease in revenue from RM149.8 million to RM78.6 million, mainly due to aforesaid freight normalisation. There were also less business volume contribution particularly from/to US and Russia market. Despite OFF having secured a new insulation product manufacturing customer, OFF division recorded a drop in revenue from RM101.5 million to RM32.6 million, a decrease of RM68.9 million (67.9 per cent) q-o-q, largely due to reduced freight rates and reduced shipments from solar panel manufacturing, aerospace, aluminium, plastic compounding manufacturing and healthcare customers. SCS recorded a rise in revenue from RM6.0 million to RM7.8 million, an increase of RM1.8 million (29.2 per cent), largely contributed from retail logistics business.

Within the DBS segment, revenue of CL division was down from RM104.6 million to RM81.2 million, representing a decrease of RM23.4 million (22.3 per cent). The drop was largely attributable to Custom Clearance business which posted a revenue drop of by RM23.8 million (56.1 per cent) from RM42.5 million to RM18.6 million on the back of reduced volume of solar panel and E&E customers. Revenue of Haulage business was decreased by RM0.7 million from RM17.1 million to RM16.4 million (4.3 per cent) and In-Plant business was down by RM0.8 million from RM8.5 million to RM7.6 million (9.8 per cent). Nevertheless, the drop was partially offset by the revenue increase in Warehouse business by RM2.0 million from RM36.5 million to RM38.5 million (5.6 per cent), mainly contributed by solar panel customer.

Within the DBS segment, revenue of CSC division rose from RM35.3 million to RM38.1 million, representing an increase of RM2.8 million (7.9 per cent) underpinned by increase business from retail and food customers. On the other hand, increase in Thailand and Singapore cross-border trucking business coupled with increase business from solar panel & fast food chain pushed revenue of Trucking division to rise from RM23.5 million to RM28.3 million, representing an increase of RM4.8 million (20.4 per cent).

PBT for 4QFY2023 was down from RM30.4 million to RM26.3 million as against 4QFY2022, a decrease of RM4.1 million (13.5 per cent). Correspondingly, PAT for 4QFY2023 dropped by RM3.7 million (14.5 per cent) from RM25.7 million to RM22.0 million. PBT of IBS segment recorded a decrease of RM13.5 million (61.4 per cent) from RM21.9 million to RM8.5 million while DBS segment posted an increase of RM5.4 million (56.9 per cent) from RM9.5 million to RM14.8 million q-o-q.

Within IBS, AFF showed a decrease in PBT from RM16.7 million to RM5.8 million, a decrease of RM10.8 million (65.0 per cent) underpinned by lower revenue q-o-q. Meantime, OFF also posted a decrease of RM2.6 million (57.4 per cent), from RM4.6 million to RM2.0 million. SCS's PBT result remained at RM0.7 million as against the same quarter of last year.

Within the DBS segment, PBT of CL division rose from RM7.1 million to RM9.6 million, representing an increase of RM2.5 million (35.3 per cent). Within CL Division, Warehouse business contributed significant PBT to CL division by recording profit from RM5.2 million to RM6.9 million, representing q-o-q increase of RM1.7 million (33.4 per cent). PBT of Haulage business rose by RM0.4 million (20.3 per cent) from RM2.0 million to RM2.4 million q-o-q. In-plant business rose by RM0.1 million (23.8 per cent), from RM0.7 million to RM0.8 million. The bottom line of Custom Clearance business was improved by RM0.2 million (27.4 per cent) from loss of RM0.7 million previously to loss of RM0.5 million in the current quarter. PBT of Trucking division soared from RM0.4 million to RM3.8 million, representing an increase of RM3.3 million (744.7 per cent). Whereas PBT of CSC division reduced from RM1.9 million to RM1.5 million, representing a decrease of RM0.4 million (22.0 per cent).

Reduction in non-operating and general expenses by RM4.0 million (391.3 per cent) q-o-q from Support division partially cushioned the PBT drop from the above operating business segments.

**B3. Comparison with Preceding Quarter's Results: January 2023 to March 2023 vs October 2022 to December 2022**

	3 months ended			
	31.03.2023	31.12.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	266,639	392,688	(126,049)	-32.1%
Profit from operations	29,786	31,318	(1,532)	-4.9%
Profit before Interest and tax	29,857	31,773	(1,916)	-6.0%
Profit before taxation	26,285	28,342	(2,057)	-7.3%
Profit after taxation	21,964	20,825	1,139	5.5%
Profit Attributable to Ordinary Equity Holders of the Parent	21,798	20,437	1,361	6.7%

The Group's revenue of the fourth quarter ended 31 March 2023 ("4QFY2023") was registered at RM266.6 million, as against revenue of RM392.7 million of the last quarter ended 31 December 2022 ("3QFY2023"). This represents a decrease of RM126.0 million (32.1 per cent). Downward trend and freight rates normalisation in the overall freight market affected IBS segment to post lower revenue from RM184.9 million to RM119.0 million, a decrease of RM65.9 million (35.6 per cent). Whilst revenue of DBS segment dropped by RM60.2 million (29.0 per cent), from RM207.8 million to RM147.6 million as against last corresponding quarter.

Within the IBS segment, AFF division showed a decrease in revenue from RM112.7 million to RM78.6 million a decrease of RM34.1 million (30.3 per cent). Whilst OFF division also posted a reduction in revenue from RM64.1 million to RM32.6 million a decrease of RM31.5 million (49.1 per cent) as against 3QFY2023 on the back of drop in market freight rates and reduced shipment volume of insulation product manufacturing customer. SCS division showed decrease in revenue from RM8.1 million to RM7.8 million, a decrease of RM0.2 million (3.0 per cent).

Within the DBS segment, reduction in business volume from E&E, food, musical instrument and solar panel manufacturing customers resulted revenue of CL division to drop by RM63.5 million (43.9 per cent), from RM144.7 million to RM81.2 million. Revenue from Trucking division was up from RM25.4 million to RM28.3 million, an increase of RM2.9 million (11.5 per cent) as against 3QFY2023, mainly contributed from solar panel and E&E customers. CSC showed an increase of RM0.4 million (1.0 per cent), from RM37.7 million to RM38.1 million underpinned by increased business from retail and convenient retail customers.

Within the CL, Custom Clearance business posted a decrease of RM56.2 million (75.1 per cent), from RM74.8 million to RM18.6 million. Haulage business also showed a reduction of RM0.2 million (1.2 per cent), from RM16.6 million to RM16.4 million. At same time, PBT of Warehouse business was down by RM6.5 million (14.4 per cent), from RM45.0 million to RM38.5 million. In-Plant business showed a decrease of RM0.6 million (7.2 per cent), from RM8.2 million to RM7.6 million comparing with 3QFY2023.

PBT for 4QFY2023 was down from RM28.3 million to RM26.3 million, as against preceding quarter, showing a decrease of RM2.1 million (7.3 per cent). IBS segment recorded a decrease of RM8.1 million (48.9 per cent), from RM16.6 million to RM8.5 million. DBS segment recorded a decrease of RM2.6 million (14.8 per cent), from RM17.4 million to RM14.8 million.

Within IBS segment, with the reduced handling volume and freight rates, AFF reported a reduction in PBT of RM5.3 million (47.7 per cent) from RM11.1 million to RM5.8 million. Whereas OFF also experienced a decrease in PBT of RM1.6 million (45.2 per cent) from RM3.6 million to RM2.0 million. SCS business showed a decrease in PBT of RM1.2 million (63.6 per cent) from RM1.8 million to RM0.7 million.

Within DBS segment, PBT of CL division dropped from RM14.5 million to RM9.6 million, reduced by RM4.9 million (33.9 per cent). CSC division recorded PBT drop of RM0.1 million (7.7 per cent), from RM1.6 million to RM1.5 million. However the drop was partially offset by the PBT increase from Trucking division. PBT of Trucking division rose by RM2.5 million (190.9 per cent), from RM1.3 million to RM3.8 million as against 3QFY2023.

Within CL division, all businesses experienced a decrease in PBT in 4QFY2023 as against preceding quarter. Custom Clearance experienced a decrease of RM1.7 million (145.3 per cent), from RM1.2 million to a loss of RM0.5 million. PBT of Haulage business reduced by RM0.2 million (7.6 per cent), from RM2.6 million to RM2.4 million. Warehouse business experienced a decrease of RM2.2 million (23.7 per cent) from RM9.1 million to RM6.9 million. In-Plant posted a decrease in PBT of RM0.8 million (50.1 per cent) from RM1.6 million to RM0.8 million.

In addition, the PBT from IBS and DBS segments was partially offset by reduced administrative and general expenses from Support segment by RM8.6 million as against last preceding quarter.

B4. Prospects for the Next Financial Year

The International Monetary Fund (IMF) in its latest World Economic Outlook (WEO) report released on 14 April 2023 has forecast a slowdown in the global economy from the estimated 3.4 percent growth rate in 2022 to 2.8 percent in 2023. The forecast represents a 0.1 percentage point downward revision relative to its earlier forecast in the January 2023 WEO. This downgrade comes amid stubbornly high inflation and the recent financial sector turmoil which, IMF said, diminishes the chances of a soft landing. The IMF states that the side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions. The IMF warns of the possibility that financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Overall, the IMF opines that risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply.

(Source: IMF WEO Report dated 14 April 2023)

**B4. Prospects for the Next Financial Year (continue)**

On the domestic front, the Malaysian economy has bounced back strongly from the pandemic slump, expanding at a 22-year high of 8.7 per cent in 2022, but the outlook for 2023 has been clouded by cooling global demand. Despite the global headwinds, Bank Negara Malaysia (BNM) has, in its Economic and Monetary Review 2022 (EMR 2022) released on 29 March 2023, maintained the country's growth forecast at 4 percent to 5 percent for 2023. BNM expects the local economy to benefit from firm domestic demand, China's reopening, resilient labour markets, and a recovery in tourism. The improved domestic conditions will likely offset risks stemming from a global slowdown and persistent inflation, BNM said. BNM added that the Malaysia's banks remain well-capitalised, and recent volatility in the global banking sector has had minimal impact on the country's financial markets. Inflation is expected to moderate but tilted to the upside, and headline and core inflation were projected to average between 2.8 percent to 3.8 percent in 2023. Going forward, BNM said its monetary policy considerations will continue to focus on managing inflation risks while supporting sustainable growth.

(Source: BNM's Economic and Monetary Review 2022 dated 29 March 2023)

The health of the logistics industry is closely aligned with the economic activity and international trade, and the prospects of the Group are closely tied to the performance of the global as well as domestic economy. We are pleased to report that, for the financial year under review (FY2023), our Group continued to show resilience by breaking two records in our 48 years' corporate history: (1) record revenue of RM1.61 billion, thus breaking our earlier record of RM1.48 billion revenue achieved in FY2022; and (2) record profit for the year of RM92.6 million. As noted in the performance review above, the commendable performance was achieved despite the normalisation of international freight rates which we have noted, had gained momentum especially in the second half of FY2023. During this period, we saw our DBS performing credibly to mitigate the reduction in our IBS, thus demonstrating again our resilience as a total logistics solution provider which has allowed us to diversify and balance our risks between the more stable domestic logistics business against the more unpredictable international freight business. Nevertheless, we noted that the gap in the profit between FY2023 and FY2022 was also due to the write-off in FY2022 of the NBV of our old single-storey warehouse at Shah Alam, amounting to RM15.9 million, which was demolished to make way for the construction of a modern 4-storey warehouse. Going forward into our next financial year, we reckon that the market freight rates for both air and ocean will remain fairly stable, as the freight rates have already dropped to pre-pandemic or near pre-pandemic levels. We also believe that our DBS, in particular our contract logistics and cold-chain divisions will continue to rebound in the next financial year in line with our strength as a total logistics solutions provider. We would also be able to realise substantial tax savings from our ILS tax incentive in FY2024 as two warehouses (in Shah Alam and Westports) currently under construction are scheduled for completion in next financial year, and this would impact our bottom line positively. Hence, we are cautiously positive about the prospects of the Group for the next financial year. Nevertheless we are mindful of the downside risks for our Group, which would be the risk of recession in the current fragile global economic conditions, inflationary pressure in our cost structure, geopolitical trade war affecting our customers and the continued tightening of fiscal policy by central banks globally. 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 12 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Income tax				
- Current tax	(1,929)	(4,676)	(26,654)	(21,394)
- overprovision in prior years	(29)	58	(6)	365
Deferred tax				
- Current year	(2,227)	(347)	(1,817)	542
- Overprovision in prior years	(136)	292	178	62
	<u>(4,321)</u>	<u>(4,674)</u>	<u>(28,299)</u>	<u>(20,426)</u>

The Group's effective tax rate for the current financial period and the cumulative 12 months ended 31 March 2023 were lower than the Malaysia statutory rate of 24% mainly due to the qualifying capital expenditure claimed under the Investment Tax Allowance.

B7. Corporate Proposals

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

B8. Borrowing

As at 4th quarter ended 31.03.2023					
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	1,322	-	1,566	-	2,888
Lease liabilities	2,277	-	11,989	-	14,266
Bank loan (unsecured)	157,400	-	24,653	-	182,053
Bank loan (secured)	28,602	-	6,824	-	35,426
Revolving credit	-	-	44,000	-	44,000
Amounts owing to corporate shareholder of subsidiary company	3,829	-	462	-	4,291
Total borrowings	193,430	-	89,494	-	282,924

As at 4th quarter ended 31.03.2022					
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 liabilities	1,221	-	736	-	1,957
Lease liabilities	12,178	-	16,375	-	28,553
Bank loan (unsecured)	122,934	-	65,300	-	188,234
Bank loan (secured)	24,070	-	5,408	-	29,478
Revolving credit	-	-	-	-	-
Amounts owing to corporate shareholder of subsidiary company	4,201	-	471	-	4,672
Total borrowings	164,604	-	88,290	-	252,894

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 March 2023 to the date of this report.

B10. Dividend Declared

On 27 April 2023, the Board of Directors declared a single-tier final dividend of 3.5 sen per ordinary shares amounting to RM28,000,000 in respect of financial year ended 31 March 2023. The dividend to be paid on 26 May 2023. The entitlement date for the dividend payment is 16 May 2023.

B11. Earnings Per Share

	3 months ended		Cumulative 12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
PAT after non-controlling interest (RM'000)	21,798	24,985	90,798	65,250
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	2.72	3.12	11.35	8.16

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2023. Accordingly, no diluted earnings per share is presented.

**B12. Derivative Financial Instruments**

There is no derivative financial instrument for the Group as at 31 March 2023 and 31 March 2022.

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 year

	3 months ended		Cumulative 12 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Profit for the period is arrived at after crediting:				
Interest income	1,307	201	3,330	832
Fair value gain on short term investments	-	2	-	69
Other income	118	(3,955)	607	3,291
Gain on disposal of property, plant and equipment	53	1,190	269	1,168
Gain on early termination of lease contracts	3	32	3	32
Unrealised foreign exchange gain	1,529	482	459	(745)
Dividend income	-	-	37	37
and after charging:				
Interest expenses	3,572	3,219	13,472	13,196
Property, plant and equipment written off	81	102	88	16,025
Depreciation of property, plant and equipment	7,907	7,310	30,754	28,956
Amortisation of right-of-use assets	3,982	5,231	16,166	16,243
Allowance for doubtful debts	76	122	341	425
Realised foreign exchange loss	1,848	12	1,340	311

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 March 2023.