

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



**Condensed Consolidated Financial Statements**  
**For The Quarter And Year-To-Date Ended**  
**30 September 2023**

**Condensed Consolidated Statement of Comprehensive Income**  
**For The Quarter And Year-To-Date Ended 30-September-2023**

	3 months ended		Cumulative 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	273,633	493,949	526,825	947,507
Cost of sales	(234,640)	(440,756)	(451,876)	(842,315)
<b>Gross profit</b>	<b>38,993</b>	<b>53,193</b>	<b>74,949</b>	<b>105,192</b>
Other income	3,589	3,325	7,342	6,898
Administrative and general expenses	(18,843)	(19,383)	(36,555)	(37,341)
Other Expenses	(165)	(1,004)	(465)	(2,668)
<b>Profit from operations</b>	<b>23,574</b>	<b>36,131</b>	<b>45,271</b>	<b>72,081</b>
Finance costs	(3,166)	(3,254)	(6,597)	(6,469)
Share of results of associated company and joint venture	98	138	261	320
<b>Profit before taxation</b>	<b>20,506</b>	<b>33,015</b>	<b>38,935</b>	<b>65,932</b>
Tax expense	(3,711)	(8,443)	(7,169)	(16,461)
<b>Profit for the period</b>	<b>16,795</b>	<b>24,572</b>	<b>31,766</b>	<b>49,471</b>
<b>Profit Attributable to:</b>				
Owners of the Company	15,845	24,131	30,065	48,564
Non-Controlling Interest	950	441	1,701	907
	<b>16,795</b>	<b>24,572</b>	<b>31,766</b>	<b>49,471</b>
Earnings per share (sen) - basic	1.98	3.02	3.76	6.07

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income  
 For The Quarter And Year-To-Date Ended 30-September-2023**

	3 months ended		Cumulative 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
<b>Profit for the period</b>	<b>16,795</b>	<b>24,572</b>	<b>31,766</b>	<b>49,471</b>
<b>Other Comprehensive Income:</b>				
Exchange differences on translation foreign operation	-	-	-	-
Fair Value adjustment on cash flow hedge	-	-	-	-
Other comprehensive income/(Loss) for the period, net of tax	-	-	-	-
<b>Total Comprehensive Income</b>	<b>16,795</b>	<b>24,572</b>	<b>31,766</b>	<b>49,471</b>
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	15,845	24,131	30,065	48,564
Non-Controlling Interest	950	441	1,701	907
	<b>16,795</b>	<b>24,572</b>	<b>31,766</b>	<b>49,471</b>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position as at 30-September-2023**

	As at 30.09.2023 RM'000 Unaudited	As at 31.03.2023 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	696,578	586,119
Right-of-use assets	9,673	13,015
Goodwill	81,864	81,864
Investment in associated company	3,798	3,722
Investment in a joint ventures	14,779	14,594
Other assets	962	962
Deferred Tax assets	535	535
<b>Total non-current assets</b>	<b>808,189</b>	<b>700,811</b>
<b>Current assets</b>		
Trade receivables	301,362	289,369
Contract Asset	384,638	265,278
Other receivables, deposits and prepayments	22,389	20,698
Amount owing by immediate holding company	4,393	5,850
Amounts owing by related companies	9,571	11,141
Amounts owing by associated company	169	175
Amount owing by a joint venture company	1	1
Current tax asset	3,716	764
Cash and bank balances	159,169	241,142
<b>Total current assets</b>	<b>885,408</b>	<b>834,418</b>
<b>TOTAL ASSETS</b>	<b>1,693,597</b>	<b>1,535,229</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position as at 30-September-2023**

	As at 30.09.2023 RM'000 Unaudited	As at 31.03.2023 RM'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	100,801	100,801
Revaluation reserve	1,401	1,401
Fair value reserve	(65)	(65)
Retained profits	495,594	493,529
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Equity attributable to owners of the Company	597,731	595,666
Non-controlling interest	68,255	68,204
	-----	-----
<b>Total equity</b>	<b>665,986</b>	<b>663,870</b>
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<b>Non-current liabilities</b>		
Amounts owing to corporate shareholder of subsidiary company	3,731	3,829
Hire purchase payables	636	1,322
Lease liabilities	3,667	2,278
Bank term loans	205,515	186,002
Deferred tax liabilities	24,811	24,427
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<b>Total non-current liabilities</b>	<b>238,360</b>	<b>217,858</b>
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<b>Current liabilities</b>		
Trade payables	641,961	478,749
Contract liability	1,224	1,394
Other payables, deposits and accruals	52,296	62,478
Amount owing to immediate holding company	2,195	2,257
Amounts owing to related companies	11,025	15,593
Amounts owing to associated company	1,066	941
Hire purchase payables	1,541	1,566
Lease liabilities	6,656	11,989
Bank term loans	37,012	31,477
Amounts owing to corporate shareholder of subsidiary company	372	462
Revolving credit	33,000	44,000
Current tax liabilities	903	2,595
	-----	-----
<b>Total current liabilities</b>	<b>789,251</b>	<b>653,501</b>
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<b>Total liabilities</b>	<b>1,027,611</b>	<b>871,359</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,693,597</b>	<b>1,535,229</b>
	=====	=====
<b>Net Assets per share (RM)</b>	<b>0.75</b>	<b>0.74</b>
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The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity For Year-To-Date Ended 30-September-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-controlling interest	Total equity
	----- Non-distributable -----			-- Distributable --				
	Share capital	Revaluation reserve	Fair value reserve	Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance at 1 April 2022</b>	100,801	1,401	(65)	414,713	516,850	68,093	584,943	
Total comprehensive income for the period	-	-	-	48,564	48,564	907	49,471	
Dividend paid (Note A8)	-	-	-	(12,000)	(12,000)	(1,350)	(13,350)	
<b>Balance at 30 Sep 2022</b>	<b>100,801</b>	<b>1,401</b>	<b>(65)</b>	<b>451,277</b>	<b>553,414</b>	<b>67,650</b>	<b>621,064</b>	
<b>Balance at 1 April 2023</b>	100,801	1,401	(65)	493,529	595,666	68,204	663,870	
Total comprehensive income for the period	-	-	-	30,065	30,065	1,701	31,766	
Dividend paid (Note A8)	-	-	-	(28,000)	(28,000)	(1,650)	(29,650)	
<b>Balance at 30 Sep 2023</b>	<b>100,801</b>	<b>1,401</b>	<b>(65)</b>	<b>495,594</b>	<b>597,731</b>	<b>68,255</b>	<b>665,986</b>	

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 30-September-2023

	Year-To-Date Ended	
	30.09.2023 RM'000 Unaudited	30.09.2022 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	38,935	65,932
Adjustments for:		
Allowance for doubtful debts	-	265
Depreciation of property, plant and equipment	16,042	15,112
Depreciation of right-of-use assets	7,459	8,203
Gain on disposal of property, plant and equipment	(486)	(84)
Gain on early termination of lease contract	(1)	-
Property, plant and equipment written off	65	3
Share of profits of associated company and joint ventures, net of tax	(261)	-
Interest income	(2,639)	(1,148)
Dividend income	(37)	(37)
Interest expense	6,597	6,469
Unrealised gain on foreign exchange	(2,325)	(3,090)
<b>Operating profit before working capital changes</b>	<b>63,349</b>	<b>91,625</b>
Changes in receivables	(130,017)	(65,386)
Changes in payables	151,894	119,445
Cash generated from operations	85,226	145,684
Net Tax paid	(10,938)	(10,380)
<b>Net Cash generated from operating activities</b>	<b>74,288</b>	<b>135,304</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(128,213)	(31,587)
Proceeds from disposal of property, plant and equipment	496	216
Interest received	2,639	1,148
Dividend received from other investment	37	37
<b>Net cash used in investing activities</b>	<b>(125,041)</b>	<b>(30,186)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	73,000	92,800
Repayment of term loan	(58,952)	(55,823)
Payment of hire purchase and finance lease liabilities	(783)	(207)
Interest paid	(6,597)	(6,469)
Payment of lease liabilities	(8,052)	(6,879)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(186)	(285)
Dividends paid to non-controlling interest of subsidiary company	(1,650)	(1,350)
Dividend paid	(28,000)	(12,000)
<b>Net cash (used in) / generated from financing activities</b>	<b>(31,220)</b>	<b>9,788</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(81,973)</b>	<b>114,906</b>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	241,142	87,462
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>159,169</b>	<b>202,368</b>
<b>Represented by:</b>		
Cash and bank balances	159,169	202,368

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2023 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 2023. 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 2023.

**A2. Adoption of Standards, Amendments and Annual Improvements to Standards****(a) Application of new or revised standards**

The accounting policies, presentation and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statement for the financial year ended 31 March 2023 expect for the adoption of amendments to published standards by the Group for the financial year beginning 1 April 2023:

Amendments to MFRS 101 and MFRS Practice Statement 2 on disclosure of accounting policies;

Amendments to MFRS 108 on definition of accounting estimates;

Amendments to MFRS 112 on deferred tax related to assets and liabilities arising from a single transaction;

Amendments to MFRS 112 International Tax Reform.

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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
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 2023 was not subjected to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operations are generally affected by festive seasons.

**A5. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows in the current quarter under review.

**A6. Changes In Estimates**

There were no changes in estimates that have had a material effect in the current quarter under review.



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

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

**A8. Dividends paid**

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

**Interim /final dividend**

Final dividend in respect of the financial year ended 31 March 2022  
- 1.50 sen single-tier dividend per ordinary share paid on 20 June 2022

Final dividend in respect of the financial year ended 31 March 2023  
- 3.50 sen single-tier dividend per ordinary share paid on 26 May 2023

As at 30.09.2023	As at 30.09.2022
RM'000	RM'000
-	12,000
28,000	-
<b>28,000</b>	<b>12,000</b>

**A9. Segmental Reporting**

	Segmental Revenue		Segmental Result (PBT)	
	6 months ended		6 months ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>International Business Solutions</b>				
Air Freight Forwarding Division	104,390	294,479	3,570	24,306
Ocean Freight Forwarding Division	54,417	190,684	845	10,076
Supply Chain Solutions Division	14,303	14,942	3,101	1,868
	<b>173,110</b>	<b>500,105</b>	<b>7,516</b>	<b>36,250</b>
<b>Domestic Business Solutions</b>				
Contract Logistics Division	219,365	319,863	17,836	23,494
Cold Supply Chain Division	83,468	79,439	7,181	4,248
Trucking Division	50,882	48,100	2,788	1,542
	<b>353,715</b>	<b>447,402</b>	<b>27,805</b>	<b>29,284</b>
Others	-	-	3,614	398
<b>Total</b>	<b>526,825</b>	<b>947,507</b>	<b>38,935</b>	<b>65,932</b>

Effective from April 2023 (FY2023/FY2024), e-commerce business was reclassified from Supply Chain Solutions Division under International Business Solution segment to Contract Logistics Division under Domestic Business Solutions segment to align with business segment definitions of immediate holding company, Yusen Logistics Co.Ltd. ("Yusen").

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

There were no revaluations of property, plant and equipment under current period review. As at 30 September 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 30 September 2023 to the date of this report:

	As at 30.09.2023 RM'000	As at 30.09.2022 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	32,800	37,966
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	13,000
	<b>55,950</b>	<b>61,116</b>

**A14. Capital Commitment**

	As at 30.09.2023 RM'000	As at 30.09.2022 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	11,208	9,588
- construction of warehouse building	63,085	123,381
	<b>74,293</b>	<b>132,969</b>

**A15. Related Party Disclosures**

	6 month ended	
	30.09.2023 RM'000	30.09.2022 RM'000
<b>Transaction with subsidiary companies</b>		
Rental of trucks paid and payable to subsidiary company	77	77
Labour charges paid and payable to subsidiary companies	1,180	1,108
Labour charges received and receivable from subsidiary companies	268	146
Handling fees paid and payable to a subsidiary company	239	541
Handling fees received and receivable from a subsidiary company	53	658
Related logistic services paid and payable to a subsidiary company	211	186
Related logistic services received and receivable from a subsidiary company	1,776	2,711
Rental of premises paid and payable to a subsidiary company	2,201	3,341
Rental of premises received and receivable from subsidiary companies	1,449	1,207
Rental of trucks received and receivable from subsidiary company	754	603
Interest received and receivable from subsidiary companies	564	501
	<b>21,490</b>	<b>66,040</b>
<b>Transaction with immediate holding company</b>		
Related logistic services received and receivable	16,502	21,990
Management services fee paid and payable	6,714	6,460
IT fees paid and payable	102	134
	<b>44,988</b>	<b>107,595</b>
<b>Transaction with related companies</b>		
Related logistic services received and receivable	67,320	167,333
IT fees paid and payable	1,379	1,153
	<b>376</b>	<b>376</b>
<b>Transaction with associated company</b>		
Rental of premises paid	10	15
Accounting fee paid to an associated company		
	<b>212</b>	<b>47</b>
<b>Transaction with joint venture company</b>		
Related logistic services received and receivable		
	<b>186</b>	<b>285</b>
<b>Transaction with corporate shareholder of subsidiary company</b>		
Repayment to corporate shareholder of subsidiary company	111	121
Interest paid and payable		
	<b>613</b>	<b>613</b>

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

## B1. Performance Review : Year-to-date April 2023-September 2023 vs Year-to-date April 2022-September 2022

	6 months ended			
	30.09.2023	30.09.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	526,825	947,507	(420,682)	-44.4%
Profit from operations	45,271	72,081	(26,810)	-37.2%
Profit before Interest and tax	45,532	72,401	(26,869)	-37.1%
Profit before taxation	38,935	65,932	(26,997)	-40.9%
Profit after taxation	31,766	49,471	(17,705)	-35.8%
Profit Attributable to Ordinary Equity Holders of the Parent	30,065	48,564	(18,499)	-38.1%

The Group posted revenue of RM526.8 million for the financial period ended ("FPE") 30 September 2023 as against RM947.5 million, a decrease of RM420.7 (44.4% per cent) year-on-year ("y-o-y"). Normalising freight rates coupled with slowdown in global commerce volume caused International Business Solutions ("IBS") to post a decrease of RM327.0 million (65.4 per cent) from RM500.1 million to RM173.1 million y-o-y. Revenue from Domestic Business Solutions ("DBS") segment recorded 20.9 per cent down by RM93.7 million, from RM447.4 million to RM353.7 million y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted a decrease of RM190.1 million (64.6 per cent), from RM294.5 million to RM104.4 million y-o-y. The drop was largely attributable to shipments reduction from automotive parts, office equipments and E&E customers. Revenue of Ocean Freight Forwarding ("OFF") division decreased significantly by RM136.3 million (71.5 per cent), from RM190.7 million to RM54.4 million y-o-y on the back of freight rates normalisation as well as shipments reduction from solar panels, aerospace, aluminium and glass fibre/electronic glass materials manufacturing, insulation materials manufacturing and office equipment customers. Revenue from Supply Chain Solutions ("SCS") division showed a drop of RM0.6 million (4.3 per cent), from RM14.9 million to RM14.3 million y-o-y. The drop in SCS division was resulted from reclassification of E-Commerce business (RM0.4 million) from SCS division to Contract Logistics Division under DBS segment effective from April 2023.

In the DBS segment, Contract Logistics ("CL") division posted revenue reduction of RM100.5 million (31.4 per cent), from RM319.9 million to RM219.4 million y-o-y. Within CL division, revenue of custom clearance business dropped by RM74.6 million (42.3 per cent), from RM176.1 million to RM101.5 million, largely resulted from reduction in shipment volume from solar panel and E&E customers. Drop in handling volume in E&E, musical instruments and semiconductor customers prompted revenue of Warehouse business to drop from RM98.1 million to RM72.1 million, a decrease of RM26.0 million (26.5 per cent). Drop in volume from E&E and resin manufacturing customers also impacted in-plant business to post lower revenue from RM14.2 million to RM13.6 million, a decrease of RM0.6 million (4.5 per cent) y-o-y. Revenue from Haulage business remained stable at RM31.4 million, y-o-y slight increase of 0.1 per cent. Effective from current financial year, E-Commerce business was reclassified from SCS division to CL business. E-Commerce business contributed revenue of RM0.7 million to CL division under current financial period.

The Cold Supply Chain ("CSC") division remained robust by contributing y-o-y increase revenue to DBS segment by RM4.0 million (5.1 per cent), from RM79.4 million to RM83.4 million. The increase was largely contributed from a newly secured convenient retail customer, an existing retail customer as well as higher selling rates due to ICPT electricity cost.

As for Trucking division, revenue hiked by 5.8 per cent (RM2.8 million), from RM48.1 million to RM50.9 million. The increase was mainly contributed from solar panel, food manufacturing customers, telecommunication customers and a newly secured furniture retail customer.

Profit from operations for the period ended 30 September 2023 was down by RM26.8 million (37.2 per cent) from RM72.1 million to RM45.3 million y-o-y. Profit before taxation ("PBT") for the period ended 30 September 2023 reduced from RM65.9 million to RM38.9 million, a decrease of RM27.0 million (40.9 per cent), and profit after tax ("PAT") for the period went down from RM49.5 million to RM31.8 million, a y-o-y decrease of RM17.7 million (35.8 per cent).

With the hit by reduction in revenue, PBT from IBS segment dropped from RM36.2 million to RM7.5 million, representing a y-o-y decrease of RM28.7 million (79.3 per cent). Within IBS, PBT of AFF division was down from RM24.3 million to RM3.6 million, a y-o-y decrease of RM20.7 million (85.3 per cent). OFF division recorded PBT decrease of RM9.2 million (91.6 per cent), from RM10.1 million to RM0.8 million y-o-y. PBT drop in AFF & OFF divisions was partially cushioned by the PBT increase in SCS division. SCS division recorded an increase of PBT by RM1.2 million (66.0 per cent), from RM1.9 million to RM3.1 million, which was mainly contributed from trading and origin management business.

DBS segment posted a y-o-y PBT drop of RM1.5 million (5.1 per cent), from RM29.3 million to RM27.8 million. The drop was mainly resulted from CL division. PBT of CL division showed a y-o-y drop of RM5.7 million (24.1 per cent), from RM23.5 million to RM17.8 million. Within CL, Custom Clearance business PBT decreased from RM2.3 million to RM1.7 million (26.1 per cent), a decrease of RM0.6 million, PBT of Haulage business was down from RM3.2 million to RM0.9 million (73.1 per cent), a decrease of RM2.3 million. Warehouse business posted a RM3.3 million (19.3 per cent) reduction in PBT, from RM17.0 million to RM13.7 million. Whereas E-Commerce business posted loss before tax of RM0.1 million in current financial period. The reduction in CL was partially offset by the increase in PBT from In-Plant business. In-Plant business recorded a y-o-y increase of RM0.7 million (63.9 per cent), from RM1.0 million to RM1.7 million.

PBT drop in CL division was partially cushioned by the increases in PBT from CSC and Trucking divisions. PBT of CSC division hiked by RM2.9 million (69.1 per cent), from RM4.2 million to RM7.1 million. Whereas, PBT of Trucking division rose from RM1.5 million to RM2.7 million, a y-o-y increase of RM1.2 million (80.8 per cent).


**B2. Comparison with Previous Year Corresponding Quarter's Results : July 2023 to September 2023 vs July 2022 to September 2022**

	3 months ended			
	30.09.2023	30.09.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	273,633	493,949	(220,316)	-44.6%
Profit from operations	23,574	36,131	(12,557)	-34.8%
Profit before Interest and tax	23,672	36,269	(12,597)	-34.7%
Profit before taxation	20,506	33,015	(12,509)	-37.9%
Profit after taxation	16,795	24,572	(7,777)	-31.6%
Profit Attributable to Ordinary Equity Holders of the Parent	15,845	24,131	(8,286)	-34.3%

The Group's revenue of the second quarter ended 30 September 2023 (2QFY2024) was registered at RM273.6 million, as against revenue of RM493.9 million of the last year quarter ended 30 September 2022 (2QFY2023). This represents a decrease of RM220.3 million (44.6 per cent). Freight rates normalisation resulted revenue of IBS segment to drop from RM238.9 million to RM87.9 million, representing a q-o-q decrease of RM151.0 million (63.2 per cent) while DBS segment recorded revenue down by RM69.3 million (27.2 per cent), from RM255.0 million to RM185.7 million q-o-q (2QFY2023).

Within the IBS segment, AFF division posted a q-o-q drop of RM85.5 million (61.4 per cent) in revenue, from RM139.2 million to RM53.7 million, mainly drop in shipments from aerospace, automotive, logistics, semiconductor, capacitors, and business equipments customers. OFF recorded a drop in revenue from RM92.0 million to RM26.8 million, a decrease of RM65.2 million (70.9 per cent) q-o-q underpinned by less shipments support from newly secured rubber glove, solar panels, aerospace, aluminium and glass fibre/electronic glass materials manufacturing, insulation materials manufacturing, business equipment customers. SCS recorded a drop in revenue from RM7.7 million to RM7.4 million, a decrease of RM0.3 million (3.5 per cent) q-o-q.

Within the DBS segment, revenue of CL division dropped from RM184.0 million to RM115.6 million, representing a decrease of RM68.4 million (37.2 per cent) and revenue of Trucking division dropped from RM28.2 million to RM26.8 million, representing a decrease of RM1.4 million (5.1 per cent). Revenue of CSC was sustained by posting a q-o-q increase of RM0.6 million (1.3 per cent), from RM42.7 million to RM43.3 million. The drop in Trucking business was largely attributable to reduced deliveries from E&E and FMCG customers. The increase in CSC revenue was mainly contributed from a newly secured retail customer.

Within CL Division, drop in E&E, food manufacturing, paper packaging and solar panel customers caused revenue of custom clearance business to drop by RM52.5 million (48.7 per cent) from RM107.8 million to RM55.3 million. Revenue of haulage business was decreased by RM0.3 million (1.8 per cent) from RM17.0 million to RM16.7 million, mainly drop in E&E shipments. Drop in warehousing volume from E&E and solar panel customers cargo prompted warehouse business to report declined revenue by RM15.3 million (29.4 per cent) from RM51.9 million to RM36.6 million. In-plant business recorded a decrease of RM0.7 million (9.8 per cent), from RM7.3 million to RM6.6 million. E-Commerce business was reclassified from SCS division to CL business effective from April 2023. E-Commerce business contributed revenue of RM0.3 million to CL division.

PBT for 2QFY2024 declined from RM33.0 million to RM20.5 million as against 2QFY2023, a decrease of RM12.5 million (37.9 per cent). Correspondingly, PAT for 2QFY2024 dropped by RM7.8 million (31.6 per cent) from RM24.6 to RM16.8 million. With the drop in revenue, IBS segment recorded a decrease in PBT by RM14.3 million (80.9 per cent), from RM17.7 million to RM3.4 million. Whereas DBS segment posted an increase of RM0.1 million (0.3 per cent) from RM16.0 million to RM16.1 million q-o-q.

Within the IBS segment, PBT of AFF decreased by RM11.3 million (88.8 per cent) from RM12.7 million to RM1.4 million whereas PBT of OFF division decreased from RM4.1 million to RM0.4 million, a decrease of RM3.7 million (91.2 per cent). It was partially offset by the increase from SCS division, by RM0.7 million (80.0 per cent) from RM0.9 million to RM1.6 million.

Within the DBS segment, PBT of CL division was down from RM12.9 million to RM10.3 million, representing a decrease of RM2.6 million (20.5 per cent). Within CL Division, the PBT from custom clearance business was decreased by RM0.4 million (26.1 per cent) from RM1.6 million to RM1.2 million. PBT of haulage business was down from RM1.7 million to RM1.5 million, a decrease of RM0.2 million (14.9 per cent). Warehouse business recorded PBT from RM8.8 million to RM7.0 million q-o-q, representing a decrease of RM1.8 million (20.8 per cent). PBT of In-plant business was declined by RM0.1 million (7.5 per cent) from RM0.7 million to RM0.6 million. E-Commerce business reported a loss of RM0.07 million..

The PBT drop in CL division was partially offset by the PBT increase from CSC and Trucking division. PBT of CSC division rose from RM1.9 million to RM4.0 million, representing an increase of RM2.1 million (108.2 per cent) while Trucking division posted an increase of RM0.6 million (52.4 per cent) from RM1.2 million to RM1.8 million q-o-q.


**B3. Comparison with Preceding Quarter's Results: July 2023 to September 2023 vs April 2023 to June 2023**

	3 months ended			
	30.09.2023	30.06.2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	273,633	253,192	20,441	8.1%
Profit from operations	23,574	21,697	1,877	8.7%
Profit before Interest and tax	23,672	21,860	1,812	8.3%
Profit before taxation	20,506	18,429	2,077	11.3%
Profit after taxation	16,795	14,971	1,824	12.2%
Profit Attributable to Ordinary Equity Holders of the Parent	15,845	14,220	1,625	11.4%

The Group's revenue of the second quarter ended 30 September 2023 ("2QFY2024") was registered at RM273.6 million, as against revenue of RM253.2 million of the last quarter ended 30 June 2023 ("1QFY2024"). This represents an increase of RM20.4 million (8.1 per cent). IBS segment posted an increase of RM2.7 million (3.2 per cent), from RM85.2 million to RM87.9 million, whilst revenue of DBS segment was up by RM17.7 million (10.5 per cent), from RM168.0 million to RM185.7 million quarter-over-quarter ("q-o-q").

Within the IBS segment, AFF division posted an increased revenue from RM50.7 million to RM53.7 million, an increase of RM3.0 million (5.9 per cent) on the back of increase shipments from FMCG customer. Whereas OFF division showed a decrease in revenue from RM27.6 million to RM26.8 million, a drop of RM0.8 million (2.9 per cent). The decrease was largely due to reduced shipments from FMCG, aerospace and insulation material manufacturing customers. Meanwhile, SCS division posted an increased revenue from RM6.9 million to RM7.4 million, an increase of RM0.5 million (8.1 per cent), mainly contributed from origin management and trading business.

Within the DBS segment, revenue of CL division was uplifted by RM11.8 million (11.4 per cent), from RM103.8 million to RM115.6 million. Increase deliveries in existing retail, healthcare and FMCG customers coupled with a newly secured food customer pushed revenue of Trucking division to rise from RM24.0 million to RM26.8 million, an increase of RM2.8 million (11.7 per cent) q-o-q. CSC division also showed an increase of RM3.1 million (7.7 per cent), from RM40.2 million to RM43.3 million on the back of increased business volume and revenue from food customers.

Within the CL, custom clearance business contributed an increase of RM9.1 million (19.6 per cent), from RM46.2 million to RM55.3 million on the back of increased shipments from solar panel and telecommunication customers q-o-q. Haulage business also contributed an increase of RM1.9 million (12.8 per cent), from RM14.8 million to RM16.7 million. Revenue of warehouse business rose by RM1.2 million (3.4 per cent), from RM35.5 million to RM36.7 million. On the other hand, In-plant business experienced revenue decline by RM0.3 million (4.2 per cent), from RM6.9 million to RM6.6 million as a result of volume drop from a E&E customer.

PBT for Q2FY2024 hiked from RM18.4 million to RM20.5 million, as against preceding quarter, showing an increase of RM2.1 million (11.3 per cent). IBS segment recorded a decrease of RM0.7 million (18.4 per cent), from RM4.1 million to RM3.4 million. Whereas DBS segment recorded an increase of RM4.4 million (37.2 per cent), from RM11.7 million to RM16.1 million.

Within IBS segment, AFF experienced drop in PBT of RM0.7 million (33.4 per cent) as a result of lower profit margin due to higher market buying costs against bid price of customer contracts. PBT of OFF business also drop by RM0.1 million (26.4 per cent) from RM0.5 million to RM0.4 million on the back of reduced revenue. PBT of SCS rose RM0.1 million (5.5 per cent) from RM1.5 million to RM1.6 million.

Within DBS segment, PBT of CL division was up by RM2.7 million (36.0 per cent), from RM7.6 million to RM10.3 million q-o-q. Whereas CSC division contributed a q-o-q increase of RM0.9 million (28.2 per cent), from RM3.1 million to RM4.0 million. Trucking division also posted an increase of RM0.8 million (75.0 per cent) from RM1.0 million to RM1.8 million.

Within CL division, custom clearance, haulage and warehouse business recorded q-o-q increase of RM0.8 million (165.9 per cent), RM2.1 million (341.4 per cent) and RM0.3 million (5.2 per cent) respectively. However, it was partially offset by the PBT drop in in-plant and E-Commerce businesses by RM0.4 million (40.2 per cent) and RM0.04 million (148.2 per cent) respectively.

**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 10 October 2023 has projected global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. Vis-a-vis the July 2023 WEO report, the IMF has maintained its projections for 2023 but has downgraded its projection for 2024 by 0.1 percentage point. The IMF said that despite economic resilience earlier this year with reopening rebound and progress in reducing inflation, the global recovery has remained slow and uneven. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geo-economics fragmentation. Other factors are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Risks to the outlook are more balanced than they were six months ago, but the balance of risks to global growth remains tilted to the downside.

(Source: IMF WEO Report dated 10 October 2023)

On the domestic front, Bank Negara Malaysia ("BNM") reported that the Malaysian economy expanded moderately at 2.9 percent in the second quarter of 2023 (1Q2023: 5.6 percent), weighed down by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects and policy measures. BNM said that, with the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023.

(Source: BNM's Economic and Financial Developments in the 2nd Quarter of 2023 dated 18 August 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 state of the global and domestic economy. As reported by the esteemed organisations above, the macroeconomic headwinds have resulted in slower economic activities and created a particularly challenging environment for businesses. In particular, the global slowdown in international trade has resulted in lower trade volumes as well as lower international freight rates. This has affected the performance of our IBS in particular, which saw a substantial drop in revenue y-o-y vis-a-vis the corresponding periods in the previous financial year. Fortunately due to our diverse logistics services, the impact was mitigated by the performance of our DBS which performed credibly and registered a much smaller gap in performance from the high base of the previous year. Going forward into the second half of our financial year, we are well-placed to take advantage of any recovery of economic activity in particular in the segments that our key customers are operating in. Our well-diversified customer base has put us in good stead as certain industry verticals such as aerospace as well as energy segments are performing well in the current economic situation while segments such as E&E are expected to recover. We also believe that our DBS, in particular our contract logistics and cold-chain divisions, will continue to perform credibly. Moreover, our two new warehouses (4-storey warehouse in Shah Alam and our single-storey warehouse at Westports) are slated to be operational by our fourth financial quarter. This will impact our bottom line positively, both from the additional capacity as well as lower effective corporate tax rate as a result of tax benefits arising from our Integrated Logistics Scheme (ILS) tax incentive. Taken as a whole, we remain cautious about the prospects of the Group for the remaining period to the end of the financial year. Downside risks for our Group include the weaker-than-expected economic activity, economic recession in the current fragile global economic conditions, inflationary pressure in our cost structure and geopolitical trade war affecting our customers. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity when it is beneficial to our shareholders' value.

**B5. Profit Forecast**

Not applicable as there is no forecast / profit guarantee.

**B6. Tax Expense**

	3 months ended		Cumulative 6 months ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Income tax				
- Current tax	(3,125)	(8,014)	(6,416)	(15,573)
- overprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(263)	(428)	(753)	(804)
- Overprovision in prior years	(323)	(1)	-	(84)
	<b>(3,711)</b>	<b>(8,443)</b>	<b>(7,169)</b>	<b>(16,461)</b>

The Group's effective tax rates for the cumulative 6 months ended 30 September 2023 and 30 September 2022 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**

Hire purchase and finance lease liabilities  
Lease liabilities  
Bank loan (unsecured)  
Bank loan (secured)  
Revolving credit  
Amounts owing to corporate shareholder  
of subsidiary company  
  
Total borrowings

As at 2nd quarter ended 30.09.2023					
Long term		Short term		Total borrowing	
Denomination in		Denomination in		Denomination in	
Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
-	636	-	1,541	-	2,177
-	3,667	-	6,656	-	10,323
-	179,568	-	30,159	-	209,727
-	25,947	-	6,853	-	32,800
-	-	-	33,000	-	33,000
-	3,731	-	372	-	4,103
-	213,549	-	78,581	-	292,130

Hire purchase liabilities  
Lease liabilities  
Bank loan (unsecured)  
Bank loan (secured)  
Revolving credit  
Amounts owing to corporate shareholder  
of subsidiary company  
  
Total borrowings

As at 2nd quarter ended 30.09.2022					
Long term		Short term		Total borrowing	
Denomination in		Denomination in		Denomination in	
Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)
-	1,674	-	1,376	-	3,050
-	5,756	-	15,422	-	21,178
-	160,561	-	10,938	-	171,499
-	31,263	-	6,704	-	37,967
-	-	-	44,000	-	44,000
-	4,015	-	372	-	4,387
-	203,269	-	78,812	-	282,081

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 Proposed**

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

**B11. Earnings Per Share**

	3 months ended		Cumulative 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
PAT after non-controlling interest (RM'000)	15,845	24,131	30,065	48,564
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	1.98	3.02	3.76	6.07

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2023. Accordingly, no diluted earnings per share is presented.

**B12. Derivative Financial Instruments**

There is no derivative financial instrument for the Group as at 30 September 2023 and 30 September 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 period**

	3 months ended		Cumulative 6 months ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	1,169	649	2,639	1,148
Other income	241	109	532	344
Gain on disposal of property, plant and equipment	486	84	486	84
Bad debts recovered	-	-	-	-
Gain on termination of lease contract	1	-	1	-
Realised foreign exchange gain	581	912	1,172	912
Unrealised foreign exchange gain	1,074	1,534	2,475	4,373
Dividend income	37	37	37	37
<b>and after charging:</b>				
Interest expenses	3,166	3,254	6,597	6,469
Property, plant and equipment written off	17	3	65	3
Depreciation of property, plant and equipment	8,082	7,642	16,042	15,112
Depreciation of right-of-use assets	3,543	8,203	7,459	8,203
Loss on disposal of property, plant and equipment	(2)	-	-	-
Provision for doubtful debt	-	-	-	265
Realised foreign exchange loss	150	728	250	1,118
Unrealised foreign exchange loss	-	278	150	1,283
Loss of derecognition of subsidiary	-	-	-	-
Impairment loss of other investment	-	-	-	-

Unless otherwise indicated above, there were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 30 September 2023.

By Order of the Board of Directors

Company Secretaries

17 November 2023