

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



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

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

	3 months ended		Cumulative 9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	277,449	392,688	804,274	1,340,195
Cost of sales	(236,198)	(340,600)	(688,074)	(1,182,915)
Gross profit	41,251	52,088	116,200	157,280
Other income	1,417	2,880	8,759	9,778
Administrative and general expenses	(18,406)	(18,471)	(54,961)	(55,812)
Other Expenses	(1,051)	(5,179)	(1,516)	(7,847)
Profit from operations	23,211	31,318	68,482	103,399
Finance costs	(3,668)	(3,431)	(10,265)	(9,900)
Share of results of associated company and joint venture	(55)	455	206	775
Profit before taxation	19,488	28,342	58,423	94,274
Tax expense	(4,770)	(7,517)	(11,939)	(23,978)
Profit for the period	14,718	20,825	46,484	70,296
Profit Attributable to:				
Owners of the Company	13,821	20,437	43,886	69,001
Non-Controlling Interest	897	388	2,598	1,295
	14,718	20,825	46,484	70,296
Earnings per share (sen) - basic	1.73	2.55	5.49	8.63

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 31-December-2023**

	3 months ended		Cumulative 9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	14,718	20,825	46,484	70,296
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	14,718	20,825	46,484	70,296
Total Comprehensive Income attributable to:				
Owners of the Company	13,821	20,437	43,886	69,001
Non-Controlling Interest	897	388	2,598	1,295
	14,718	20,825	46,484	70,296

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 31-December-2023

	As at 31.12.2023 RM'000 Unaudited	As at 31.03.2023 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	733,267	586,119
Right-of-use assets	14,704	13,015
Goodwill	81,864	81,864
Investment in associated company	3,837	3,722
Investment in a joint ventures	14,685	14,594
Other assets	962	962
Deferred Tax assets	535	535
Total non-current assets	849,854	700,811
Current assets		
Inventories	4	-
Trade receivables	376,772	289,369
Contract Asset	350,054	265,278
Other receivables, deposits and prepayments	19,983	20,698
Amount owing by immediate holding company	3,844	5,850
Amounts owing by related companies	12,289	11,141
Amounts owing by associated company	3	175
Amount owing by a joint venture company	33	1
Current tax asset	3,115	764
Cash and bank balances	156,099	241,142
Total current assets	922,196	834,418
TOTAL ASSETS	1,772,050	1,535,229

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 31-December-2023

	As at 31.12.2023 RM'000 Unaudited	As at 31.03.2023 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	509,415	493,529
Equity attributable to owners of the Company	611,552	595,666
Non-controlling interest	69,152	68,204
Total equity	680,704	663,870
Non-current liabilities		
Amounts owing to corporate shareholder of subsidiary company	3,488	3,829
Hire purchase payables	416	1,322
Lease liabilities	3,321	2,278
Bank term loans	196,512	186,002
Deferred tax liabilities	26,404	24,427
Total non-current liabilities	230,141	217,858
Current liabilities		
Trade payables	647,181	478,749
Contract liability	1,370	1,394
Other payables, deposits and accruals	57,915	62,478
Amount owing to immediate holding company	2,152	2,257
Amounts owing to related companies	17,004	15,593
Amounts owing to associated company	959	941
Hire purchase payables	1,399	1,566
Lease liabilities	11,790	11,989
Bank term loans	87,192	31,477
Amounts owing to corporate shareholder of subsidiary company	372	462
Revolving credit	33,000	44,000
Current tax liabilities	871	2,595
Total current liabilities	861,205	653,501
Total liabilities	1,091,346	871,359
TOTAL EQUITY AND LIABILITIES	1,772,050	1,535,229
Net Assets per share (RM)	0.76	0.74

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 31-December-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 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)	-	(12,000)
Dividend paid to non-controlling interest of a subsidiary company	-	-	-	-	-	(1,350)	(1,350)
Balance at 31 December 2022	100,801	1,401	(65)	471,714	573,851	68,038	641,889
Balance at 1 April 2023	100,801	1,401	(65)	493,529	595,666	68,204	663,870
Total comprehensive income for the period	-	-	-	43,886	43,886	2,598	46,484
Dividend paid (Note A8)	-	-	-	(28,000)	(28,000)	-	(28,000)
Dividend paid to non-controlling interest of a subsidiary company	-	-	-	-	-	(1,650)	(1,650)
Balance at 31 December 2023	100,801	1,401	(65)	509,415	611,552	69,152	680,704

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 31-December-2023

	Year-To-Date Ended	
	31.12.2023 RM'000 Unaudited	31.12.2022 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,423	94,274
Adjustments for:		
Allowance for doubtful debts	18	265
Depreciation of property, plant and equipment	24,418	22,847
Depreciation of right-of-use assets	12,082	12,184
(Gain)/Loss on disposal of property, plant and equipment	(486)	216
Property, plant and equipment written off	65	7
Share of profits of associated company and joint ventures net of tax	(206)	(775)
Interest income	(3,585)	(2,023)
Dividend income	(73)	(37)
Interest expense	10,265	9,900
Unrealised (gain) / loss on foreign exchange	(1,415)	1,070
Operating profit before working capital changes	99,506	137,928
Changes in receivables	(170,606)	(143,730)
Changes in payables	229,251	262,716
Cash generated from operations	158,151	256,914
Net Tax paid	(14,071)	(15,824)
Net Cash generated from operating activities	144,080	241,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(183,015)	(50,180)
Proceeds from disposal of property, plant and equipment	499	216
Interest received	3,585	2,023
Dividend received from other investment	73	37
Net cash used in investing activities	(178,858)	(47,904)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	73,000	114,800
Repayment of term loan	(67,776)	(63,611)
Payment of hire purchase and finance lease liabilities	(1,074)	(786)
Interest paid	(10,265)	(9,900)
Payment of lease liabilities	(14,068)	(13,065)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(432)	(372)
Dividends paid to non-controlling interest of a subsidiary company	(1,650)	(1,350)
Dividend paid	(28,000)	(12,000)
Net cash (used in) / generated from financing activities	(50,265)	13,716
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(85,043)	206,902
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	241,142	87,462
CASH AND CASH EQUIVALENTS CARRIED FORWARD	156,099	294,364
Represented by:		
Cash and bank balances	156,099	294,364
	156,099	294,364

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 except 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 31.12.2023 RM'000	As at 31.12.2022 RM'000
	-	12,000
	28,000	-
	28,000	12,000

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	9 months ended		9 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
International Business Solutions				
Air Freight Forwarding Division	182,726	407,198	5,615	35,446
Ocean Freight Forwarding Division	78,135	254,790	792	13,669
Supply Chain Solutions Division	22,060	22,997	4,536	3,691
	282,921	684,985	10,943	52,806
Domestic Business Solutions				
Contract Logistics Division	317,264	464,529	27,578	38,006
Cold Supply Chain Division	126,217	117,158	11,415	5,880
Trucking Division	77,872	73,523	6,170	2,831
	521,353	655,210	45,163	46,717
Others	-	-	2,317	(5,249)
Total	804,274	1,340,195	58,423	94,274

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 31 December 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 December 2023 to the date of this report:

	As at 31.12.2023 RM'000	As at 31.12.2022 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	31,471	36,684
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	13,000
	54,621	59,834

A14. Capital Commitment

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	8,714	31,019
- construction of warehouse building	28,910	103,945
	37,624	134,964

A15. Related Party Disclosures

	9 month ended	
	31.12.2023 RM'000	31.12.2022 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	115	115
Labour charges paid and payable to subsidiary companies	1,655	1,582
Labour charges received and receivable from subsidiary companies	189	218
Handling fees paid and payable to a subsidiary company	382	690
Handling fees received and receivable from a subsidiary company	117	1,004
Related logistic services paid and payable to a subsidiary company	275	274
Related logistic services received and receivable from a subsidiary company	2,744	6,825
Rental of premises paid and payable to a subsidiary company	3,305	4,912
Rental of premises received and receivable from subsidiary companies	2,228	1,859
Rental of trucks received and receivable from subsidiary company	2,150	885
Interest received and receivable from subsidiary companies	863	747
	32,070	89,807
Transaction with immediate holding company		
Related logistic services received and receivable	24,348	33,347
Management services fee paid and payable	10,160	9,710
IT fees paid and payable	169	202



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

A15. Related Party Disclosures (Continue)

	9 month ended	
	31.12.2023 RM'000	31.12.2022 RM'000
Transaction with related companies		
Related logistic services received and receivable	69,682	148,822
Related logistic services paid and payable	122,641	239,966
IT fees paid and payable	2,078	1,655
	=====	=====
Transaction with associated company		
Rental of premises paid	564	564
Accounting fee paid to an associated company	14	-
	=====	=====
Transaction with joint venture company		
Related logistic services received and receivable	351	144
	=====	=====
Transaction with corporate shareholder of subsidiary company		
Repayment to corporate shareholder of subsidiary company	372	186
Interest paid and payable	165	61
	=====	=====
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 2023-December 2023 vs Year-to-date April 2022-December 2022

	9 months ended			
	31.12.2023	31.12.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	804,274	1,340,195	(535,921)	-40.0%
Profit from operations	68,482	103,399	(34,917)	-33.8%
Profit before Interest and tax	68,688	104,174	(35,486)	-34.1%
Profit before taxation	58,423	94,274	(35,851)	-38.0%
Profit after taxation	46,484	70,296	(23,812)	-33.9%
Profit Attributable to Ordinary Equity Holders of the Parent	43,886	69,001	(25,115)	-36.4%

The Group achieved revenue of RM804.3 million for the financial period ended ("FPE") 31 December 2023 as against RM1,340.2 million a year earlier, a decrease of RM535.9 million (40.0% per cent) year-on-year ("y-o-y"). Revenue from Domestic Business Solutions ("DBS") segment recording a decrease 20.4% per cent, which decreased by RM133.8 million from RM655.2 million to RM521.4 million y-o-y. Freight rates normalisation coupled with slowdown in global commerce volume prompted International Business Solutions ("IBS") to post a drop of RM402.1 million (58.7 per cent) from RM685.0 million to RM282.9 million y-o-y.

In the IBS segment, Air Freight Forwarding ("AFF") division posted a decrease of RM224.5 million (55.1 per cent) from RM407.2 million to RM182.7 million y-o-y. The drop was largely attributable to shipments reduction from aerospace, automotive parts, office equipments and E&E customers. Ocean Freight Forwarding ("OFF") division posted a drop of RM176.7 million (69.3 per cent), from RM254.8 million to RM78.1 million y-o-y. The revenue drop in OFF was mainly resulted from drop in market freight rates and shipments reduction in insulation materials manufacturing, solar panels, aerospace, aluminium and glass fibre/electronic glass materials manufacturing, office equipment and musical instrument customers. Revenue from Supply Chain Solutions Division ("SCS") division slightly decreased by RM0.9 million (4.1 per cent), from RM23.0 million to RM22.1 million y-o-y. The drop in SCS division was resulted from reclassification of E-Commerce business (RM2.2 million) from SCS division to Contract Logistics Division under DBS segment effective from April 2023. It partially offset by the increase in origin management business by RM1.3 million (6.0 per cent).

In the DBS segment, revenue of Contract Logistics ("CL") division was down by RM147.2 million (31.7 per cent), from RM464.5 million to RM317.3 million. Within CL division, revenue of custom clearance business dropped by RM109.6 million (43.7 per cent) from RM250.9 million to RM141.3 million, largely resulted from reduction in shipment volume from solar panel and E&E customers. Haulage business posted a decrease of RM1.3 million (2.7 per cent), from RM48.0 million to RM46.7 million on the back of reduction in container deliveries of E&E and food manufacturing customers, a decrease of RM1.3 million (2.7 per cent). Drop in warehousing volume in E&E, musical instruments, solar panel, FMCG and semiconductor customers prompted revenue of Warehouse business to drop from RM143.1 million to RM108.3 million, a decrease of RM34.8 million (24.3 per cent). Drop in volume from E&E and polyester fibre manufacturing customers also impacted in-plant business to post lower revenue from RM22.5 million to RM19.7 million, a reduction of RM2.8 million (12.3 per cent) y-o-y. E-Commerce business contributed revenue of RM1.3 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 RM9.1 million (7.7 per cent), from RM117.1 million to RM126.2 million. The increase was largely contributed from a newly secured convenient retail and cold chain logistics customer as well as higher selling rates due to ICPT electricity cost.

As for Trucking division, revenue rise from RM73.5 million to RM77.9 million y-o-y, an increase of RM4.4 million (5.9 per cent). 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 year ended 31 December 2023 dropped by RM34.9 million (33.8 per cent) from RM103.4 million to RM68.5 million. Profit before taxation ("PBT") for the year ended 31 December 2023 decreased from RM94.3 million to RM58.4 million, a decrease of RM35.9 million (38.0 per cent), and profit after tax ("PAT") for the year went down from RM70.3 million to RM46.5 million, a y-o-y decrease of RM23.8 million (33.9 per cent).

With the hit by the reduction in revenue, PBT of IBS segment recorded decrease of 79.3 per cent (RM41.9 million), from RM52.8 million to RM10.9 million y-o-y. Within IBS, PBT of AFF division decreased from RM35.4 million to RM5.6 million, a decrease of RM29.8 million (84.2 per cent). While PBT of OFF division was down by RM12.9 million (94.2 per cent), from RM13.7 million to RM0.8 million y-o-y. However, the losses in AFF and OFF were partially offset by the increase in profit of RM0.8 million (22.9 per cent), from RM3.7 million to RM4.5 million, from SCS division.

PBT of DBS segment was curtailed by RM1.5 million (3.3 per cent), from RM46.7 million to RM45.2 million y-o-y. Within DBS, CL division recorded a drop in PBT by RM10.4 million (27.4 per cent), from RM38.0 million to RM27.6 million. However, the PBT drop in CL division was partially offset by the PBT increases from CSC and Trucking divisions. CSC division contributed an increase in PBT by RM5.5 million (94.1 per cent) from RM5.9 million to RM11.4 million. Whereas PBT of Trucking division increased from RM2.8 million to RM6.1 million, increased by RM3.3 million (117.9 per cent).

Within CL division, PBT of Custom Clearance business PBT dropped from RM3.5 million to RM3.0 million, a decreased by RM0.5 million (13.5 per cent). Haulage business posted a decrease in PBT by RM3.5 million (60.6 per cent), from RM5.8 million to RM2.3 million. PBT of Warehouse business reduced from RM26.1 million to RM19.9 million, a decrease of RM6.2 million (23.8 per cent). On the other hand, PBT of In-Plant business and E-Commerce businesses were down by RM0.2 million (6.9 per cent) and RM0.06 million respectively.

Apart from PBT of the above operating business segments, reduction in people and administrative expenses coupled with increase in interest income from Support division contributed an increase amounted to RM7.6 million to the overall PBT.


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

	3 months ended			
	31.12.2023	31.12.2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	277,449	392,688	(115,239)	-29.3%
Profit from operations	23,211	31,318	(8,107)	-25.9%
Profit before Interest and tax	23,156	31,773	(8,617)	-27.1%
Profit before taxation	19,488	28,342	(8,854)	-31.2%
Profit after taxation	14,718	20,825	(6,107)	-29.3%
Profit Attributable to Ordinary Equity Holders of the Parent	13,821	20,437	(6,616)	-32.4%

The Group's revenue of the third quarter ended 31 December 2023 (3QFY2024) was registered at RM277.4 million, as against revenue of RM392.6 million of the last year same quarter ended 31 December 2022 (3QFY2023). This represents a decrease of RM115.2 million (29.3 per cent). Freight rate normalisation attributed IBS segment to post lower revenue to RM109.8 million from RM184.9million q-o-q, a decrease of RM75.1 million (40.6 per cent). Meanwhile, revenue of DBS segment was down by RM40.2 million (19.3 per cent), from RM207.8 million to RM167.6 million q-o-q.

Within the IBS segment, AFF division posted a q-o-q decrease of RM34.4 million (30.5 per cent) in revenue, from RM112.7 million to RM78.3 million, mainly drop from aerospace, automotive, logistics, semiconductor, capacitors, and business equipments customers. OFF recorded a drop in revenue from RM64.1 million to RM23.7 million, a decrease of RM40.4 million (63.0 per cent) q-o-q. SCS recorded a drop in revenue from RM8.1 million to RM7.8 million, a decrease of RM0.3 million (3.7 per cent) q-o-q.

Within the DBS segment, revenue of CL division dropped from RM144.7 million to RM97.9 million, representing a decrease of RM46.8 million (32.3 per cent). Within CL Division, the revenue from custom clearance business was lower by RM35.0 million (46.9 per cent) from RM74.8 million to RM39.8 million. Revenue from warehouse business was decreased by RM8.8 million (19.6 per cent), from RM45.0 million to RM36.2 million. Revenue of In-Plant business was decreased by RM2.1 million (25.7 per cent) from RM8.2 million to RM6.1 million. Haulage business registered lower q-o-q revenue by RM1.3 million (7.8 per cent) from RM16.6 million to RM15.3 million. E-Commerce business was reclassified from SCS division to CL business effective from April 2023. E-Commerce business contributed revenue of RM0.5 million to CL division q-o-q.

Nevertheless, the decrease of CL division's revenue was partially offset by revenue increases in CSC and Trucking division q-o-q. CSC division posted an increase of RM5.0 million (13.3 per cent) from RM37.7 million to RM42.7 million. While revenue of Trucking division hiked from RM25.4 million to RM27.0 million, an increase of RM1.6 million (6.2 per cent).

PBT for 3QFY2024 decreased from RM28.3 million to RM19.5 million as against 3QFY2023 a decrease of RM8.8 million (31.2 per cent). Correspondingly, PAT for 3QFY2024 was down by RM6.1 million (29.3 per cent) from RM20.8 million to RM14.7 million. IBS segment recorded lower PBT by RM13.1 million (79.3 per cent) from RM16.6 million to RM3.4 million while DBS segment also posted a decrease of RM0.1 million (0.4 per cent) from RM17.4 million to RM17.3 million q-o-q.

Within the IBS segment, PBT of AFF division dropped from RM11.1 million to RM2.0 million, representing a decrease of RM9.1 million (81.7 per cent). Whereas OFF and SCS division also showed a decrease in PBT by RM3.6 million (101.5 per cent) from RM3.6 million to loss RM0.05 million and by RM0.4 million (21.3 per cent) from RM1.8 million to RM1.4 million respectively.

Within the DBS segment, PBT of CL division dropped from RM14.5 million to RM9.7 million, representing a decrease of RM4.8 million (32.9 per cent). This decrease was largely arisen from the decreased PBT in Haulage and Warehouse business. PBT of Haulage business dropped by RM1.2 million (44.9 per cent) from RM2.6 million to RM1.4 million. While PBT of Warehouse business decreased by RM2.9 million (32.2 per cent) from RM9.1 million to RM6.2 million. In-plant business recorded lower PBT by RM0.8 million (51.7 per cent) from RM1.6 million to RM0.8 million. However, it was slightly offset by the increased PBT in Custom Clearance business, which was increased by RM0.1 million (9.9 per cent) from RM1.2 million to RM1.3 million q-o-q. E-Commerce business reported PBT of RM0.04 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 RM1.6 million to RM4.2 million, representing an increase of RM2.6 million (159.3 per cent) while PBT of Trucking division was up from RM1.3 million to RM3.4 million representing an increase of RM2.1 million (162.4 per cent) q-o-q.

Apart from PBT of the above operating business segments, improved cost saving in non-operating and general expenses of RM4.4 million (77.0 per cent) from RM5.6 million to RM1.3 million in Support division, largely attributable to reduction in people cost, realised and unrealised loss of foreign exchange and well cost control measures on administrative and general expenses, contributed to the increase of overall PBT q-o-q.


B3. Comparison with Preceding Quarter's Results: October 2023 to December 2023 vs July 2023 to September 2023

	3 months ended			
	31.12.2023	30.09.2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	277,449	273,633	3,816	1.4%
Profit from operations	23,211	23,574	(363)	-1.5%
Profit before Interest and tax	23,156	23,672	(516)	-2.2%
Profit before taxation	19,488	20,506	(1,018)	-5.0%
Profit after taxation	14,718	16,795	(2,077)	-12.4%
Profit Attributable to Ordinary Equity Holders of the Parent	13,821	15,845	(2,024)	-12.8%

The Group's revenue of the third quarter ended 31 December 2023 ("3QFY2024") was registered at RM277.4 million, as against revenue of RM273.6 million of the last quarter ended 30 September 2023 ("2QFY2024"). This represents an increase of RM3.8 million (1.4 per cent). IBS segment posted an increase of RM21.9 million (24.9 per cent), from RM87.9 million to RM109.8 million, while DBS segment experienced drop in revenue by RM18.1 million (9.7 per cent), from RM185.7 million to RM167.6 million quarter-over-quarter ("q-o-q").

Within the IBS segment, AFF division posted an increase revenue from RM53.7 million to RM78.3 million, an increase of RM24.7 million (45.9 per cent) underpinned by the increase in revenue and support from aerospace, E&E, capacitor & FMCG customers. Whereas reduction in shipments contribution from electric glass manufacturing, aluminium and aerospace customers resulted OFF to post a decrease in revenue from RM26.8 million to RM23.7 million a decrease of RM3.1 million (11.5 per cent). SCS division posted an increased revenue from RM7.4 million to RM7.7 million, an increase of RM0.3 million (4.4 per cent), mainly from origin management and trading businesses.

Within the DBS segment, except for Trucking division recorded a q-o-q increase of revenue by RM0.2 million (0.5 per cent), from RM26.8 million to RM27.0 million, CL division and CSC division posted decrease in revenue. Revenue of CL division was down by RM17.7 million (15.3 per cent), from RM115.6 million to RM97.9 million. Whereas revenue of CSC division decreased by RM0.5 million (1.2 per cent), from RM43.2 million to RM42.7 million, attributable to decrease in fast food, poultry, convenient retail and ice cream customers but the drop was cushioned by a new cold chain logistics customer secured in 3QFY2024.

Within the CL division, Custom Clearance business encountered revenue drop of RM15.5 million (28.1 per cent), from RM55.3 million to RM39.8 million. Haulage business also encountered a decrease of RM1.4 million (8.3 per cent), from RM16.7 million to RM15.3 million. The decrease in Custom Clearance and Haulage sales were largely bogged down by the shipment drop from solar panel and E&E customers. Revenue from Warehouse business was down by RM0.4 million (1.2 per cent) from 36.5 million to RM36.2 million. In-plant business posted a decrease of RM0.5 million (7.7 per cent), from RM6.6 million to RM6.1 million. E-Commerce business achieved higher revenue of RM0.2 million (54.6 per cent), from RM0.3 million to RM0.5 million as against preceding quarter.

PBT for Q3FY2024 decreased from RM20.5 million to RM19.5 million as against preceding quarter, showing a reduction of RM1.0 million (5.0 per cent). IBS segment recorded an increase of RM0.1 million (1.4 per cent), from RM3.3 million to RM3.4 million. DBS segment recorded an increase of RM1.3 million (7.9 per cent), an increase from RM16.1 million to RM17.4 million.

Within IBS segment, AFF experienced increase in PBT of RM0.6 million (43.2 per cent) from RM1.4 million to RM2.0 million underpinned by increased revenue. PBT of OFF business dropped by RM0.4 million (114.6 per cent) from RM0.3 million to loss RM0.1 million. PBT of SCS division dropped by RM0.2 million (9.9 per cent) from RM1.6 million to RM1.4 million.

Within DBS segment, PBT from CL division was down by RM0.5 million (5.2 per cent), from RM10.2 million to RM9.7 million q-o-q. Whereas CSC division contributed a q-o-q increase of RM0.2 million (5.0 per cent), from RM4.0 million to RM4.2 million. Trucking division also contributed an increase of RM1.6 million (90.7 per cent) from RM1.8 million to RM3.4 million as against last preceding quarter.

Within CL business, PBT from Custom Clearance and In-Plant business recorded increases by RM0.1 million (9.4 per cent) from RM1.2 million to RM1.3 million and by RM0.2 million (24.5 per cent) from RM0.6 million to RM0.8 million respectively. On the other hand, both Haulage and Warehouse business showed lower PBT as against last preceding quarter. PBT of Haulage business decreased by RM0.1 million (4.0 per cent) from RM1.5 million to MR1.4 million. PBT of Warehouse business dropped by RM0.8 million (12.2 per cent) from RM7.0 million to RM6.2 million.

Apart from PBT of the above operating business segments, bottom-line from Support segment was reduced from profit RM1.0 million to loss of RM1.3 million, representing a drop of RM2.3 million as against last preceding quarter. The drop was largely attributable to reduction in interest income by RM0.2 million and drop in realised/unrealised forex gain by RM2.1 million.

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

The World Bank in its latest *Global Economic Prospects* report released in January 2024 has projected global growth to slow from 2.6 percent in 2023 to 2.4 percent in 2024, reflecting the lagged and ongoing effects of tight monetary policies to rein in decades-high inflation, restrictive credit conditions, and anemic global trade and investment. Global trade growth in 2024 is expected to be only half the average in the decade before the pandemic. Borrowing costs for developing economies are likely to remain steep with global interest rates stuck at four-decade highs. The World Bank further states that, while the risk of a global recession has receded largely due to the strength of the U.S. economy, downside risks to the outlook predominate in the near-term. The recent conflict in the Middle East, coming on top of the Russian Federation's invasion of Ukraine, has heightened geopolitical risks. Conflict escalation could lead to surging energy prices, with broader implications for global activity and inflation. Other risks include financial stress related to elevated real interest rates, persistent inflation, weaker-than-expected growth in China, further trade fragmentation, and climate change-related disasters.

(Source: The World Bank's *Global Economic Prospects* report dated January 2024)

On the domestic front, Bank Negara Malaysia ("BNM") reported that the Malaysian economy grew by 3.3 percent in the third quarter of 2023, supported by expansion in domestic demand, continued improvement in labour market conditions, and rising tourism and construction activities. However, the weaker external demand and lower mining production has weighed on growth. BNM said that the fourth quarter advance estimates for GDP affirmed that the overall growth for 2023 expanded within expectations. Moving forward, growth is expected to improve in 2024, supported by the recovery in exports and resilient domestic expenditure. Continued employment and wage growth remain supportive of household spending. Tourist arrivals and spending are expected to improve further. Investment activity would be supported by continued progress of multi-year projects in both the private and public sectors, and implementation of catalytic initiatives under the national master plans. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of existing and new projects. Looking ahead, Malaysia's economy is expected to grow between 4 to 5 percent in 2024, underpinned by continued expansion in domestic demand, and improvement in external demand.

(Source: BNM's Economic and Financial Developments in the 3rd Quarter of 2023 dated 17 November 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 following the pandemic have cast a cloud over the economic recovery. In particular, the global economic slowdown has resulted in lower trade volumes as well as lower international freight rates. This has particularly affected the performance of our IBS, which saw a substantial drop in revenue both on quarterly basis and y-o-y vis-a-vis the high base of the corresponding periods in the previous financial year. Going forward into the final quarter of our financial year, we noted that ocean freight rates have been rising due to the Red Sea geopolitical crisis whereby the Houthis have been attacking commercial ships in and around the Red Sea. This has resulted in 40 percent of ships bypassing the Suez Canal and using the longer route around the south of Africa. While the rise in ocean freight would be beneficial to shipping companies as well as logistics players like us, nevertheless the overall impact is offset by the slowing global trade volume. Nevertheless, our strength as a total logistics provider as well as our well-diversified customer base has mitigated the impact caused by the macroeconomic headwinds. Our DBS has continue to perform credibly in the current challenging environment, with cold-chain logistics continuing to perform steadily and trucking division witnessing a much-improved performance. Our contract logistics, while being impacted by the economic slowdown, nevertheless experienced a much smaller gap in performance vis-a-vis the IBS. Our two new warehouses (4-storey warehouse in Shah Alam and our single-storey warehouse at Westports) have just been completed and handed over to us, and will start contributing to our performance in the 4th financial quarter of current financial year. 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 9 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Income tax				
- Current tax	(3,526)	(9,152)	(10,313)	(24,725)
- Overprovision in prior years	318	23	317	23
- Underprovision in prior years	-	-	-	-
Deferred tax				
- Current year	(1,562)	1,214	(2,266)	410
- Overprovision in prior years	-	398	323	314
- Underprovision in prior years	-	-	-	-
	(4,770)	(7,517)	(11,939)	(23,978)

The Group's effective tax rates for the cumulative 9 months ended 31 December 2023 was below the Malaysia a statutory rate of 24% mainly due to ILS claim and 31 December 2022 were above the Malaysia statutory rate of 24% mainly due to the non-deductible expenses.

B7. Corporate Proposals

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

B8. Borrowing

	As at 3rd quarter ended 31.12.2023					
	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	-	416	-	1,399	-	1,815
Lease liabilities	-	3,321	-	11,790	-	15,111
Bank loan (unsecured)	-	171,894	-	80,339	-	252,233
Bank loan (secured)	-	24,618	-	6,853	-	31,471
Revolving credit	-	-	-	33,000	-	33,000
Amounts owing to corporate shareholder of subsidiary company	-	3,488	-	372	-	3,860
Total borrowings	-	203,737	-	133,753	-	337,490

	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 liabilities	-	1,670	-	1,566	-	3,236
Lease liabilities	-	3,280	-	13,832	-	17,112
Bank loan (unsecured)	-	163,563	-	24,653	-	188,216
Bank loan (secured)	-	29,870	-	6,814	-	36,684
Revolving credit	-	-	-	44,000	-	44,000
Amounts owing to corporate shareholder of subsidiary company	-	3,829	-	372	-	4,201
Total borrowings	-	202,212	-	91,237	-	293,449

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 9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
PAT after non-controlling interest (RM'000)	13,821	20,437	43,886	69,001
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	1.73	2.55	5.49	8.63

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 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 December 2023 and 31 December 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 9 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Profit for the period is arrived at after crediting:				
Interest income	946	875	3,585	2,023
Other income	305	277	837	705
Gain on disposal of property, plant and equipment	-	-	486	-
Bad debts recovered	-	-	-	-
Gain on derecognised lease	(1)	-	-	-
Realised foreign exchange gain	95	1,403	1,267	2,315
Unrealised foreign exchange gain	36	325	2,511	4,698
Dividend income	36	-	73	37
and after charging:				
Interest expenses	3,668	3,431	10,265	9,900
Property, plant and equipment written off	-	4	65	7
Depreciation of property, plant and equipment	8,376	7,735	24,418	22,847
Amortisation of right-of-use assets	4,623	3,981	12,082	12,184
Loss on disposal of property, plant and equipment	-	132	-	216
Provision for doubtful debt	18	-	18	265
Realised foreign exchange loss	87	689	337	1,807
Unrealised foreign exchange loss	946	4,485	1,096	5,768

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 2023.

By Order of the Board of Directors
Company Secretaries
29 January 2024