

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



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 September 2024



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30-September-2024**

	3 months ended		Cumulative 6 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Revenue	295,688	273,633	545,619	526,825
Cost of sales	(256,370)	(234,640)	(470,823)	(451,876)
Gross profit	39,318	38,993	74,796	74,949
Other income	1,341	3,591	2,612	7,342
Administrative and general expenses	(19,279)	(18,843)	(38,767)	(36,555)
Other Expenses	(6,024)	(167)	(10,487)	(465)
Profit from operations	15,356	23,574	28,154	45,271
Finance costs	(3,950)	(3,166)	(8,072)	(6,597)
Share of results of associated company and joint venture	22	98	(62)	261
Profit before taxation	11,428	20,506	20,020	38,935
Tax expense	(2,487)	(3,711)	(3,305)	(7,169)
Profit for the period	8,941	16,795	16,715	31,766
Profit Attributable to:				
Owners of the Company	8,134	15,845	15,135	30,065
Non-Controlling Interest	807	950	1,580	1,701
	8,941	16,795	16,715	31,766
Earnings per share (sen) - basic	1.02	1.98	1.89	3.76

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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-2024**

	3 months ended		Cumulative 6 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited	RM'000 Unaudited
Profit for the period	8,941	16,795	16,715	31,766
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	8,941	16,795	16,715	31,766
Total Comprehensive Income attributable to:				
Owners of the Company	8,134	15,845	15,135	30,065
Non-Controlling Interest	807	950	1,580	1,701
	8,941	16,795	16,715	31,766

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-September-2024

	As at 30.09.2024 RM'000 Unaudited	As at 31.03.2024 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	765,882	758,353
Right-of-use assets	23,373	12,619
Goodwill	81,864	81,864
Investment in associated company	3,978	3,883
Investment in a joint ventures	14,783	14,939
Other assets	962	962
Deferred Tax assets	379	438
Total non-current assets	891,221	873,058
Current assets		
Inventories	589	174
Trade receivables	335,435	313,215
Contract Asset	414,578	272,960
Other receivables, deposits and prepayments	24,793	22,320
Amount owing by immediate holding company	7,430	4,261
Amounts owing by related companies	23,364	14,482
Amounts owing by associated company	3	2
Amount owing by a joint venture company	49	16
Current tax asset	6,631	5,983
Cash and bank balances	116,470	167,116
Total current assets	929,342	800,529
TOTAL ASSETS	1,820,563	1,673,587

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 30-September-2024

	As at 30.09.2024 RM'000 Unaudited	As at 31.03.2024 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	523,608	527,273
	-----	-----
Equity attributable to owners of the Company	625,745	629,410
Non-controlling interest	69,496	69,566
	-----	-----
Total equity	695,241	698,976
	-----	-----
Non-current liabilities		
Amounts owing to corporate shareholder of subsidiary company	3,351	3,457
Hire purchase payables	8	239
Lease liabilities	13,882	8,358
Bank Borrowings	222,605	235,345
Deferred tax liabilities	24,032	24,987
	-----	-----
Total non-current liabilities	263,878	272,386
	-----	-----
Current liabilities		
Trade payables	636,969	456,954
Contract liability	936	1,207
Other payables, deposits and accruals	63,352	85,232
Amount owing to immediate holding company	1,554	1,642
Amounts owing to related companies	14,730	12,640
Amounts owing to associated company	564	1,003
Hire purchase payables	709	1,208
Lease liabilities	9,738	4,420
Bank Borrowings	132,268	136,674
Amounts owing to corporate shareholder of subsidiary company	372	455
Current tax liabilities	252	790
	-----	-----
Total current liabilities	861,444	702,225
	-----	-----
Total liabilities	1,125,322	974,611
	-----	-----
TOTAL EQUITY AND LIABILITIES	1,820,563	1,673,587
	=====	=====
Net Assets per share (RM)	0.78	0.79
	=====	=====

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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-2024

	----- 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	Revaluation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 April 2023	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)
Balance at 30 Sep 2023	100,801	1,401	(65)	495,594	597,731	68,255	665,986
Balance at 1 April 2024	100,801	1,401	(65)	527,273	629,410	69,566	698,976
Total comprehensive income for the period	-	-	-	15,135	15,135	1,580	16,715
Dividend paid (Note A8)	-	-	-	(18,800)	(18,800)	(1,650)	(20,450)
Balance at 30 Sep 2024	100,801	1,401	(65)	523,608	625,745	69,496	695,241

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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-2024

	Year-To-Date Ended	
	30.09.2024 RM'000 Unaudited	30.09.2023 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,020	38,935
Adjustments for:		
Allowance for doubtful debts	23	-
Depreciation of property, plant and equipment	19,621	16,042
Depreciation of right-of-use assets	4,324	7,459
(Loss)/Gain on disposal of property, plant and equipment	206	(486)
Gain on early termination of lease contract	-	(1)
Property, plant and equipment written off	3,624	65
Share of profits of associated company and joint ventures, net of tax	62	(261)
Interest income	(1,767)	(2,639)
Dividend income	(37)	(37)
Interest expense	8,072	6,597
Unrealised loss/(gain) on foreign exchange	5,954	(2,325)
Operating profit before working capital changes	60,102	63,349
Changes in receivables	(178,362)	(130,017)
Changes in payables	118,789	152,392
Cash generated from operations	529	85,724
Net Tax paid	(5,409)	(11,436)
Net Cash (used in) / generated from operating activities	(4,880)	74,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(45,505)	(128,213)
Proceeds from disposal of property, plant and equipment	20	496
Interest received	1,767	2,639
Dividend received from other investment	37	37
Net cash used in investing activities	(43,681)	(125,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	42,000	73,000
Drawdown of short term loan	50,000	-
Repayment of term loan	(59,147)	(58,952)
Payment of hire purchase and finance lease liabilities	(729)	(783)
Interest paid	(8,072)	(6,597)
Payment of lease liabilities	(5,397)	(8,052)
Repayment of amounts owing to corporate shareholder of a subsidiary company	(290)	(186)
Dividends paid to non-controlling interest of subsidiary company	(1,650)	(1,650)
Dividend paid	(18,800)	(28,000)
Net cash used in financing activities	(2,085)	(31,220)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(50,646)	(81,973)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	167,116	241,142
CASH AND CASH EQUIVALENTS CARRIED FORWARD	116,470	159,169
Represented by:		
Cash and bank balances	116,470	159,169
	116,470	159,169

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 2024. 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 2024.

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 2024 except for the adoption of amendments to published standards by the Group for the financial year beginning 1 April 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows	1 January 2024
Amendments to MFRS 7	Financial Instruments: Financial Disclosure - Supplier Finance Arrangements	1 January 2024

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 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 expected 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 2024 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 30.09.2024 RM'000	As at 30.09.2023 RM'000
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	-	28,000
Final dividend in respect of the financial year ended 31 March 2024 - 2.35 sen single-tier dividend per ordinary share paid on 31 May 2024	18,800	-
	18,800	28,000

A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	6 months ended		6 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
International Business Solutions				
Air Freight Forwarding Division	146,037	104,390	4,783	3,570
Ocean Freight Forwarding Division	72,960	54,417	2,202	845
Supply Chain Solutions Division	20,712	14,303	1,675	3,101
	239,709	173,110	8,661	7,516
Domestic Business Solutions				
Contract Logistics Division	176,811	219,365	14,163	17,836
Cold Supply Chain Division	81,158	83,468	7,115	7,181
Trucking Division	47,940	50,882	3,386	2,788
	305,910	353,715	24,664	27,805
Others	-	-	(13,305)	3,614
Total	545,619	526,825	20,020	38,935

A10. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment under current period review. As at 30 September 2024, 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 2024 to the date of this report:

	As at 30.09.2024 RM'000	As at 30.09.2023 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	27,380	32,800
Corporate guarantee in favour of supplier of its subsidiary company, Maya Kekal Sdn Bhd for supplying of goods on credit	13,000	13,000
	50,530	55,950

A14. Capital Commitment

	As at 30.09.2024 RM'000	As at 30.09.2023 RM'000
Authorised and contracted for		
- acquisition of property, plant and equipment	1,713	11,208
- construction of warehouse building	126,000	63,085
	127,713	74,293

A15. Related Party Disclosures

	6 month ended	
	30.09.2024 RM'000	30.09.2023 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	77	77
Labour charges paid and payable to subsidiary companies	1,051	1,180
Labour charges received and receivable from subsidiary companies	167	268
Handling fees paid and payable to a subsidiary company	249	239
Handling fees received and receivable from a subsidiary company	38	53
Related logistic services paid and payable to a subsidiary company	167	211
Related logistic services received and receivable from a subsidiary company	3,534	1,776
Rental of premises paid and payable to a subsidiary company	2,200	2,201
Rental of premises received and receivable from subsidiary companies	2,927	1,449
Rental of trucks received and receivable from subsidiary company	659	754
Interest received and receivable from subsidiary companies	483	564
Transaction with immediate holding company		
Related logistic services received and receivable	21,773	21,490
Related logistic services paid and payable	16,143	16,502
Management services fee paid and payable	7,330	6,714
IT fees paid and payable	301	102
Transaction with related companies		
Related logistic services received and receivable	61,421	44,988
Related logistic services paid and payable	96,531	67,320
IT fees paid and payable	2,500	1,379
Transaction with associated company		
Rental of premises paid	376	376
Accounting fee paid to an associated company	10	10



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

	6 month ended	
	30.09.2024 RM'000	30.09.2023 RM'000
A15. Related Party Disclosures (Continue)		
Transaction with joint venture company		
Related logistic services received and receivable	112	212
	=====	=====
Transaction with corporate shareholder of subsidiary company		
Repayment to corporate shareholder of subsidiary company	186	186
Interest paid and payable	183	111
	=====	=====
Transaction with a company related to significant shareholder and directors		
Rental of premises paid and payable	613	613
	=====	=====



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

B1. Performance Review : Year-to-date April 2024-September 2024 vs Year-to-date April 2023-September 2023

	6 months ended			
	30.09.2024	30.09.2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	545,619	526,825	18,794	3.6%
Profit from operations	28,154	45,271	(17,117)	-37.8%
Profit before Interest and tax	28,092	45,532	(17,440)	-38.3%
Profit before taxation	20,020	38,935	(18,915)	-48.6%
Profit after taxation	16,715	31,766	(15,051)	-47.4%
Profit Attributable to Ordinary Equity Holders of the Parent	15,135	30,065	(14,930)	-49.7%

The Group achieved revenue of RM545.6 million for the financial period ended ("FPE") 30 September 2024 as against RM526.8 million a year earlier, an increase of RM18.8 million (3.6% per cent) year-on-year ("y-o-y"). Port strikes and port congestion as well as disruptions in the Red Sea pushed the International Business Solutions (IBS) segment to record a surge in revenue from RM173.1 million to RM239.7 million, a y-o-y increase of RM66.6 million (38.5 per cent). Whilst revenue of Domestic Business Solutions ("DBS") segment was down by 13.5% per cent (RM47.8 million), which decreased from RM353.7 million to RM305.9 million y-o-y.

In the IBS segment, the Air Freight Forwarding (AFF) division reported y-o-y increase of RM41.6 million (39.9 per cent), from RM104.4 million to RM146.0 million, on the back of strong support from FMCG, aerospace, aluminium and automotive customers. Increase market freight rates coupled with increase sea freight shipments from FMCG, aerospace and automotive customers pushed revenue of Ocean Freight Forwarding (OFF) division to rise from RM54.4 million to RM73.0 million, an increase of RM18.5 million (34.1 per cent). Increase in Order Management of retail business contributed revenue of Supply Chain Solutions (SCS) division to increase from RM14.3 million to RM20.7 million, an increase by RM6.4 million (44.8 per cent).

In the DBS segment, the Contract Logistics (CL) division reported a decrease of RM42.6 million (19.4 per cent), from RM219.4 million to RM176.8 million. Closure of production plants of a major energy customer who is affected by US sanctions caused Custom Clearance, Haulage and Warehouse businesses within CL division experienced revenue reduction but partially offset by new automotive customers and increase volume of existing E&E customers y-o-y. Revenue of Customs Clearance business decreased by RM39.1 million (38.5 per cent), from RM101.5 million to RM62.5 million. Revenue of Haulage business was down by RM0.6 million (1.8 per cent) from RM31.4 million to RM30.9 million. Revenue of Warehouse business dropped by RM2.7 million (3.7 per cent) from RM72.1 million to RM69.4 million. In-plant business recorded revenue down by RM0.9 million (6.4 per cent) from RM13.6 million to RM12.7 million, mainly resulted from business discontinuation from pharmaceutical and polyester film manufacturing customers.

The Cold Supply Chain ("CSC") division recorded revenue of RM81.2 million, posted y-o-y drop of RM2.3 million (2.8 per cent), from RM83.5 million. The reduction was largely attributed to the loss of a convenient retail customer as well as drop in business from fast food-related customers affected by Gaza-Israel boycott.

Revenue for the Trucking business fell from RM50.9 million to RM47.9 million, representing a y-o-y decrease of RM2.9 million (5.8 per cent). Despite Trucking division secured new businesses from E&E and automotive customers, the decline in Trucking revenue was mainly bogged down by reduced deliveries of food customer and loss of an automotive customer.

Profit from operations for the period ended 30 September 2024 dropped by RM17.1 million (37.8 per cent) y-o-y, from RM45.3 million to RM28.2 million. Profit before taxation ("PBT") for the period ended 30 September 2024 decreased from RM38.9 million to RM20.0 million, a decrease of RM18.9 million (48.6 per cent), and profit after tax ("PAT") for the period declined from RM31.8 million to RM16.7 million, a y-o-y decrease of RM15.1 million (47.4 per cent).

With an increase in revenue and better profit margins in the IBS segment, the PBT of IBS segment hiked by 15.2 per cent (RM1.1 million), from RM7.5 million to RM8.7 million y-o-y. Within IBS, PBT of AFF division increased from RM3.6 million to RM4.8 million, an increase of RM1.2 million (34.0 per cent). Meanwhile, PBT of OFF division skyrocketed with an increase of RM1.4 million (160.7 per cent), from RM0.8 million to RM2.2 million y-o-y. However, the PBT increases in AFF & OFF was partially offset by the drop in SCS division. SCS division showed a decrease of RM1.4 million (46.0 per cent), from RM3.1 million to RM1.7 million. The decrease was mainly from trading business.

The PBT for the DBS segment reported y-o-y decrease of RM3.1 million (11.3 per cent), from RM27.8 million to RM24.7 million. Within DBS, the Trucking division saw an increase from RM2.8 million to RM3.4 million, representing y-o-y increase of RM0.6 million (21.5 per cent). However, the increase of PBT from Trucking division was offset by PBT drop in CSC and CL division. CSC division reported marginal drop in PBT of RM0.07 million (0.9 per cent) whilst CL division saw a decline of RM3.6 million (20.6 per cent), from RM17.8 million to RM14.2 million. Within CL division, PBT of the Custom Clearance business fell largely by RM2.1 million (124.9 per cent), from profit RM1.7 million to loss RM0.4 million. PBT for the Haulage business reduced by RM0.05 million, from RM0.86 million to RM0.81 million (6.2 per cent). PBT for the Warehouse business fell by RM2.1 million (15.1 per cent), from RM13.7 million to RM11.6 million. PBT for In-plant business was up from RM1.7 million to RM2.1 million, a y-o-y increase of RM0.3 million (21.0 per cent). E-Commerce business posted an increase in PBT of RM0.2 million (171.3 per cent) from loss RM0.1 million to profit RM0.07 million.

Apart for the PBT from the above operating business segments, the Company PBT was further offset by the net non-operating expenses from Support segment. Net expenses from Support segment increased by RM16.9 million y-o-y. Included in the increased non-operating expenses of Support segment, the Company registered an exceptional one-time expense which amounted to RM3.6 million, consisting primarily of the write-off of the carrying amount of a block of head office building located at existing Shah Alam Logistics Centre. The office building was demolished to build an expansion (Phase 2) of our recently completed new 4-storey modern warehouse. Reduced interest income and increase in unrealised forex loss arisen from strengthened MYR and finance cost contributed an additional expense in Support segment.


B2. Comparison with Previous Year Corresponding Quarter's Results : July 2024 to September 2024 vs July 2023 to September 2023

	3 months ended			
	30.09.2024	30.09.2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	295,688	273,633	22,055	8.1%
Profit from operations	15,356	23,574	(8,218)	-34.9%
Profit before Interest and tax	15,378	23,672	(8,294)	-35.0%
Profit before taxation	11,428	20,506	(9,078)	-44.3%
Profit after taxation	8,941	16,795	(7,854)	-46.8%
Profit Attributable to Ordinary Equity Holders of the Parent	8,134	15,845	(7,711)	-48.7%

The Group's revenue of the second quarter ended 30 September 2024 ("2QFY2025") was registered at RM295.7 million, as against revenue of RM273.6 million of the corresponding quarter ended 30 September 2023 ("2QFY2024"). This represents an increase of RM22.1 million (8.1 per cent). IBS segment remained robust by posting an increase of RM51.0 million (58.0 per cent), from RM87.9 million to RM138.9 million, whilst revenue of DBS segment drop by RM28.9 million (15.6 per cent), from RM185.7 million to RM156.8 million quarter-on-quarter ("q-o-q").

Within the IBS segment, the AFF division reported a revenue increase from RM53.7 million to RM82.3 million, marking a rise of RM28.6 million (53.3 per cent). This growth was primarily driven by customers in the FMCG, automotive parts, aerospace, electronic components, semiconductor and business equipment sectors. Similarly, the OFF division saw its revenue growth from RM26.8 million to RM45.9 million, an increase of RM19.1 million (71.1 per cent). This was mainly due to contributions from the aerospace, aluminum, musical instrument, FMCG and food and beverage customers. Meanwhile, the SCS division posted a revenue increase from RM7.4 million to RM10.7 million, an increase of RM3.3 million (44.6 per cent), largely contributed from order management business.

Within the DBS segment, the CL division experienced a revenue decline of RM25.8 million (22.3 per cent), from RM115.6 million to RM89.8 million q-o-q. The Trucking division saw a slight increase in revenue of RM0.03 million (0.1 per cent), from RM26.8 million to RM26.9 million. On the other hand, discontinuation of business contract with a convenient retail customer coupled with drop in business volume from fast food and cold chain logistics customers due to Israel boycott caused the revenue of the CSC division to drop from RM43.3 million to RM40.1 million, representing a drop of RM3.2 million (7.4 per cent).

Within the CL segment, plant closure of a major renewable energy manufacturing customer caused the Customs Clearance business to post a q-o-q decrease in revenue of RM26.4 million (47.8 per cent), dropped from RM55.3 million to RM28.9 million. Simultaneously, the Warehouse business saw a decline of RM1.7 million (4.5 per cent), from RM36.7 million to RM35.0 million. The In-plant business faced a reduction of RM0.3 million (5.3 per cent), from RM6.6 million to RM6.3 million. On the other hand, the Haulage business contributed an increase of RM2.2 million (13.1 per cent), rose from RM16.6 million to RM18.8 million and the E-Commerce increase of RM0.5 million (140.3 per cent), increase from RM0.3 million to RM0.8 million..

Profit Before Tax (PBT) for Q2FY2025 decreased from RM20.5 million to RM11.4 million compared to the corresponding quarter of the previous year, reflecting a decline of RM9.1 million (44.3 per cent). The IBS segment recorded an increase of RM2.5 million (72.9 per cent), increased from RM3.4 million to RM5.8 million. Conversely, the DBS segment recorded a decrease of RM3.0 million (18.7 per cent), reduced from RM16.1 million to RM13.1 million.

Within the IBS segment, both AFF and OFF division saw a substantial increase in PBT q-o-q on the back of increased shipments and better profit margins against tender prices. PBT of AFF division hiked from RM1.4 million to RM3.2 million, representing a q-o-q increase of RM1.8 million (126.2 per cent). PBT of OFF division surged by RM1.2 million (332.2 per cent), from RM0.3 million to RM1.5 million. However, increase in PBT in AFF and OFF division was partially offset by the decrease in the SCS division. PBT of SCS division fell by RM0.5 million (33.2 per cent), from RM1.6 million to RM1.1 million.

Within DBS segment, the PBT from the CL division was down by RM2.3 million (22.0 per cent), dropped from RM10.2 million to RM8.0 million q-o-q. The CSC business also experienced a reduction from RM4.0 million to RM3.6 million, a decrease of RM0.4 million (11.1 per cent). Additionally, the PBT from the Trucking division decreased from RM1.8 million to RM1.5 million, a decline of RM0.3 million (16.9 per cent) compared to the corresponding quarter of the previous year.

Within CL division, except In-Plant and E-Commerce business registered an increase in PBT by RM0.2 million (34.2 per cent) and RM0.1 million (195.5 per cent) respectively, Warehouse, Custom Clearance and Haulage businesses posted lower PBT q-o-q. PBT of Warehouse business reduced by RM1.2 million (17.8 per cent), from RM7.0 million to RM5.8 million. PBT of Custom Clearance business was down by RM1.0 million (81.0 per cent), from RM1.2 million to RM0.2 million. Haulage business posted PBT of RM1.1 million, a reduction of RM0.4 million (26.4 per cent) from RM1.5 million.

Apart for the PBT from the above operating business segments, the Company PBT was further offset by the net expenses from Support segment. Net expenses from Support segment increased by RM8.5 million q-o-q. Included in the increased non-operating expenses of Support segment, the Company registered an exceptional one-time expense for the write-off of the carrying amount of a block of office building located at Shah Alam Logistics Centre which amounted to RM3.6 million. The office building was demolished to make way for reconstruction of a new 4-storey modern warehouse to expand the future logistics capacity of our Company. Increased interest expenses by RM0.8 million, reduced interest income by RM0.4 million coupled with increased forex loss of RM6.5 million resulted from strengthened MYR.


B3. Comparison with Preceding Quarter's Results: July 2024 to September 2024 vs April 2024 to June 2024

	3 months ended			
	30.09.2024	30.06.2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	295,688	249,931	45,757	18.3%
Profit from operations	15,356	12,798	2,558	20.0%
Profit before Interest and tax	15,378	12,714	2,664	21.0%
Profit before taxation	11,428	8,592	2,836	33.0%
Profit after taxation	8,941	7,774	1,167	15.0%
Profit Attributable to Ordinary Equity Holders of the Parent	8,134	7,001	1,133	16.2%

The Group's revenue of the second quarter ended 30 September 2024 (2QFY2025) was registered at RM295.7 million, as against revenue of RM249.9 million of the last preceding ended 30 June 2024 (1QFY2025). This represents an increase of RM45.8 million (18.3 per cent). IBS segment posted an increase of RM38.1 million (37.8 per cent), from RM100.8 million to RM138.9 million. Revenue of DBS segment increased by RM7.6 million (5.1 per cent), from RM149.1 million to RM156.7 million quarter-over-quarter ("Q/Q").

Within the IBS segment, freight business was picked up in 2QFY2025 and it pushed AFF and OFF division to record higher revenue against 1QFY2025. AFF division posted a revenue increase from RM63.7 million to RM82.3 million, an increase of RM18.6 million (29.2 per cent). This growth was primarily contributed from customers in FMCG, automotive parts, business equipment, electronic components and semiconductor sectors. Revenue of the OFF division was up from RM27.1 million to RM45.9 million, an increase of RM18.8 million (69.3 per cent). This increase was largely contributed from customers in aerospace, aluminum, automotive, musical instrument, glass products, and plastics polymer manufacturing sectors. Meanwhile, the SCS division posted a revenue increase from RM10.0 million to RM10.7 million, an increase of RM0.8 million (7.8 per cent). The increase was mainly contributed from LLP and Trading business.

In the DBS segment, the CL division's revenue was up by RM2.8 million (3.3 per cent), rising from RM87.0 million to RM89.8 million. Whilst the Trucking division also saw a Q/Q increase in sales of RM5.8 million (27.6 per cent), rose from RM21.1 million to RM26.9 million. The Q/Q increase in Trucking revenue was uplifted by new automotive businesses and existing telecommunication customers. On the other hand, drop in business volume from fast food and ice cream manufacturing customers resulted the CSC division to post lower revenue by RM1.0 million (2.5 per cent), from RM41.1 million to RM40.1 million.

Within the CL division, significant reduction in shipment volume from an energy customer affected Custom Clearance business to post lower revenue of RM4.7 million (14.1 per cent), from RM33.6 million to RM28.9 million. Whereas the increase in delivery of containers from automotive and E&E customers largely contributed a Q/Q increase in revenue of Haulage business from RM12.0 million to RM18.8 million, an increase of RM6.8 million (56.7 per cent). Revenue of Warehouse business was up from RM34.4 million to RM35.0 million, an increase of RM0.6 million (1.8 per cent). The increase in Warehouse revenue was contributed from these new facilities at Shah Alam and E&E customers but it was partially offset by the decline warehousing volume from the fast food and fashion retail customers. Drop in production volume of E&E and FMCG customers resulted In-Plant business to post lower revenue from RM6.4 million to RM6.3 million, a Q/Q drop of RM0.1 million (2.0 per cent).

Profit Before Tax (PBT) for Q2 FY2025 increased from RM8.6 million to RM11.4 million, reflecting a rise of RM2.8 million (33.0 per cent) compared to the preceding quarter. The IBS segment saw a significant increase of RM3.0 million (107.0 per cent), from RM2.8 million to RM5.8 million. The DBS segment also recorded an increase of RM1.5 million (12.8 per cent), from RM11.6 million to RM13.1 million.

Within the IBS segment, the AFF division recorded a significant increase in PBT, an increase by 107.5 per cent from RM1.5 million to RM3.2 million, an increase of RM1.7 million. It was primarily contributed from increased revenue and better contract price and profit margins Q/Q. The OFF division also saw an increase in PBT by 136.5 per cent from RM0.6 million to RM1.5 million, an increase of RM0.9 million. In addition, the SCS division reported an increase in PBT from RM0.6 million to RM1.1 million, up by RM0.5 million (74.0 per cent), mainly contributed from Trading business.

Within DBS segment, PBT of the CL division increased by RM1.9 million (30.4 per cent), from RM6.1 million to RM8.0 million. Whilst the CSC division saw a slight increase of RM0.1 million (1.6 per cent), rose from RM3.5 million to RM3.6 million. PBT from the Trucking division was down from RM1.9 million to RM1.5 million, a decline of RM0.4 million (22.9 per cent) compared to the preceding quarter.

Within the CL division, the Customs Clearance and Haulage businesses showed increases of RM0.9 million (135.7 per cent) and RM1.4 million (493.3 per cent) respectively. The Customs Clearance PBT improved from a loss of RM0.6 million to a profit of RM0.2 million, while the Haulage PBT rose from a loss of RM0.3 million to a profit of RM1.1 million. PBT from the Warehouse business dropped slightly by RM0.1 million (1.4 per cent), from RM5.9 million to RM5.8 million. PBT of the In-plant business declined by RM0.3 million, fell from from RM1.2 million to RM0.9 million Q/Q.

Apart for the PBT from the above operating business segments, the Company PBT was further offset by the net expenses from Support segment. Net expenses from Support segment increased by RM1.7 million Q/Q. The increase in non-operating expenses in Support segment was largely attributable to the increase in unrealised forex loss resulting from strengthened MYR particularly in 2QFY2025 was increased by RM5.6 million. It was further impacted by the one-time expense for the write-off of the carrying amount of a block of office building located at Shah Alam Logistics Centre which amounted to RM3.6 million accounted in 1QFY2025.



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") released on 22 October 2024 stated that global growth is expected to remain stable yet underwhelming. At 3.2 percent in 2024 and 2025, the growth projection is virtually unchanged from those in both the July 2024 WEO and the April WEO. Beneath the hood, however, offsetting growth revisions have shifted the composition. Upgrades to the forecast for the United States is offset against downgrades for the European countries; downgrade revisions due to conflicts and extreme weather in the Middle East and Central Asia is compensated by upgrades to emerging Asia. The IMF stated that risks to the global outlook remained tilted to the downside amid elevated policy uncertainty. Sudden eruptions in financial market volatility—as experienced in early August—could tighten financial conditions and weigh on investment and growth. Further disruptions to the disinflation process, deeper or longer-than-expected contraction in China's property sector, intensification of protectionist policies and rising social unrest are noted risk to the global outlook, according to the IMF.

(Source: IMF's World Economic Outlook dated 22 October 2024)

On the domestic front, Bank Negara Malaysia ("BNM") reported that the Malaysian economy expanded by 5.1% in the first half of 2024 (1H 2023: 2.9%), driven by resilient domestic expenditure and higher export activity. BNM stated that, going forward, exports are expected to be further lifted by the global tech upcycle given Malaysia's position in the semiconductor supply chain, as well as continued strength in non-E&E goods. Tourist spending is expected to continue to increase. Employment and wage growth, as well as policy measures, remaining supportive of household spending. The robust expansion in investment activity would be sustained by the progress of multi-year projects in both the private and public sectors, the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments. The higher intermediate and capital imports will further support export and investment activity. The growth outlook is subject to downside risks from lower-than-expected external demand and commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, more robust tourism activity, and faster implementation of investment projects. BNM expected that inflation for the whole of 2024 to remain within the earlier projected ranges and are unlikely to exceed 3 percent. The spillovers from the diesel price adjustment to broader prices have been contained, given effective mitigation and enforcement measures to minimise the cost impact on businesses. Nevertheless, the inflation outlook remains highly subject to the implementation of further domestic policy measures on subsidies and price controls as well as global commodity prices and financial market developments.

(Source: BNM's Monetary Policy Statement dated 5 September 2024)

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. Halfway into our FY2025, our Group has continue to record revenues which are broadly comparable to the corresponding previous year. However, higher costs were recorded resulting in the 1HFY2025 profit for the period dropping by about 47 percent as compared to 1HFY2024. The higher costs were mainly due to a one-time charge of RM3.6 million due to the demolition of our previous HQ office at our Shah Alam Logistics Centre (SALC) to make way for the extension of our 4-storey warehouse, and higher unrealised loss on forex due to the deteriorating USD which dropped from a peak of 4.778 (on 25 April 2024) to a low of 4.1238 (on 1 October 2024) vs the MYR. With the MYR/USD exchange rate now stabilising at around 4.3, we are expecting our unrealised loss on forex will be quite stabilised going forward. As for the one-time charge on the demolition of our office building to make way for warehouse extension, the said extension will create another 400,000 square foot of lettable space, which will be joined to the existing new 4-storey warehouse of 600,000 square foot. Construction is expected to be fully completed in 2026, and is part of our strategic plan to increase our future logistics capacity. Going into the remaining period of the financial year, we anticipate a challenging operating environment. With the recent unveiling of the Budget, we are expecting inflationary pressure again to hit our cost structure. The other area of concern to us is the escalating geopolitical trade war which may affect global trading activities, in particular the export of Malaysian-manufactured goods. In such an economic scenario, we remain cautious on the prospect of the Group for FY2025. Downside risks for our Group include the weaker-than-expected economic activity or recovery; inflationary pressure in our costs due to government implementation of policy; and the aforesaid geopolitical tension and trade war which may affect 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current tax	(2,212)	(3,125)	(4,202)	(6,416)
- Overprovision in prior years	1	-	1	-
Deferred tax				
- Current year	(276)	(263)	896	(753)
- Underprovision in prior years	-	(323)	-	-
	<u>(2,487)</u>	<u>(3,711)</u>	<u>(3,305)</u>	<u>(7,169)</u>

The Group's effective tax rates for the cumulative 6 months ended 30 September 2024 and 30 September 2023 was below than the Malaysia a statutory rate of 24% mainly due to the qualifying capital expenditure claimed under Investment Tax Allowance.

B7. Corporate Proposals

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

B8. Borrowing

As at 2nd quarter ended 30.09.2024					
Long term		Short term		Total borrowing	
Denomination in		Denomination in		Denomination in	
Foreign ('000)	RM ('000)	Foreign ('000)	RM ('000)	RM Foreign ('000)	RM ('000)
Hire purchase and finance lease liabilities	8	-	709	-	717
Lease liabilities	13,882	-	9,738	-	23,620
Bank Borrowings:					
Bank loan (unsecured)	202,078	-	75,415	-	277,493
Bank loan (secured)	20,527	-	6,853	-	27,380
Recourse financing	-	-	50,000	-	50,000
Amounts owing to corporate shareholder of subsidiary company	3,351	-	372	-	3,723
Total borrowings	239,846	-	143,087	-	382,933

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)
Hire purchase liabilities	636	-	1,541	-	2,177
Lease liabilities	3,667	-	6,656	-	10,323
Bank Borrowings:					
Bank loan (unsecured)	179,568	-	63,159	-	242,727
Bank loan (secured)	25,947	-	6,853	-	32,800
Amounts owing to corporate shareholder of subsidiary company	3,731	-	372	-	4,103
Total borrowings	213,549	-	78,581	-	292,130

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. The recourse financing secured by the assignment of rights of eligible receivables entered into between a subsidiary company with the bank.

B9. Litigation

There was no material litigation pending since 31 March 2024 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
PAT after non-controlling interest (RM'000)	8,134	15,845	15,135	30,065
Weighted average number of ordinary shares in issue ('000)	800,000	800,000	800,000	800,000
Earnings per share (sen)	1.02	1.98	1.89	3.76

The Company does not have any dilutive potential ordinary shares outstanding as at 30 September 2024. 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 2024 and 30 September 2023.

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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit for the period is arrived at after crediting:				
Interest income	802	1,169	1,767	2,639
Other income	298	241	462	532
Gain on disposal of property, plant and equipment	204	488	206	486
Gain on termination of lease contract	-	1	-	1
Realised foreign exchange gain	-	581	-	1,172
Unrealised foreign exchange gain	-	1,074	140	2,475
Dividend income	37	37	37	37
and after charging:				
Interest expenses	3,950	3,166	8,072	6,597
Property, plant and equipment written off	-	17	3,624	65
Depreciation of property, plant and equipment	9,906	8,082	19,621	16,042
Depreciation of right-of-use assets	2,184	3,543	4,324	7,459
Provision for doubtful debt	23	-	23	-
Realised foreign exchange loss	559	150	745	250
Unrealised foreign exchange loss	5,442	-	6,094	150

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 2024.

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