

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



**Condensed Consolidated Financial Statements**  
**For The Quarter And Year-To-Date Ended**  
**31 March 2012**



**Condensed Consolidated Statement of Comprehensive Income  
 For The Quarter And Year-To-Date Ended 31 March 2012**

	Quarter and Year-To-Date Ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
	Unaudited	Unaudited
Revenue	117,895	118,363
Cost of sales	(89,768)	(91,963)
<b>Gross profit</b>	<b>28,127</b>	<b>26,400</b>
Other operating income	580	646
General and administrative expenses	(19,294)	(18,350)
<b>Profit from operations</b>	<b>9,413</b>	<b>8,696</b>
Share of profits of associated companies	126	166
Finance costs	(433)	(257)
<b>Profit before taxation</b>	<b>9,106</b>	<b>8,605</b>
Tax expense	(2,322)	(2,120)
<b>Profit for the period</b>	<b>6,784</b>	<b>6,485</b>
<b>Other Comprehensive Income:</b>		
Exchange differences on translation of foreign operations	247	(3)
Fair Value adjustment on cash flow hedge	256	119
Other comprehensive income/(Loss) for the period, net of tax	503	116
<b>Total Comprehensive Income</b>	<b>7,287</b>	<b>6,601</b>
<b>Profit Attributable to:</b>		
Owners of the Company	6,763	6,465
Non-Controlling Interest	21	20
	<b>6,784</b>	<b>6,485</b>
<b>Total Comprehensive Income attributable to:</b>		
Owners of the Company	7,266	6,581
Non-Controlling Interest	21	20
	<b>7,287</b>	<b>6,601</b>
Earnings per share (sen) -basic	6.76	6.47

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position as at 31 March 2012**

	Asat 31.03.2012 RM'000 Unaudited	Asat 31.12.2011 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	193,883	194,305
Goodwill	865	865
Investment in associated company	5,289	5,138
Available-for-Sale investments	1,225	1,225
<b>Total non-current assets</b>	<b>201,262</b>	<b>201,533</b>
<b>Current assets</b>		
Inventories	176	241
Trade receivables	75,408	67,883
Other receivables, deposits and prepayments	7,001	4,413
Amounts owing by related companies	9,093	9,359
Current tax asset	12,818	14,552
Fixed deposits with licensed bank	29,637	29,639
Cash and bank balances	10,592	19,641
<b>Total current assets</b>	<b>144,725</b>	<b>145,728</b>
<b>TOTAL ASSETS</b>	<b>345,987</b>	<b>347,261</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position as at 31 March 2012

	Asat 31.03.2012 RM'000 Unaudited	Asat 31.12.2011 RM'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedge reserve	220	(285)
Exchange translation reserve	(38)	(37)
Retained profits	145,598	138,835
Equity attributable to owners of the Company	247,981	240,714
Non-controlling interest	484	463
<b>Total equity</b>	<b>248,465</b>	<b>241,177</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	179	311
Long term bank loan	28,491	30,117
Deferred tax liabilities	12,793	13,105
<b>Total non-current liabilities</b>	<b>41,463</b>	<b>43,533</b>
<b>Current liabilities</b>		
Trade payables	25,831	27,341
Other payables, deposits and accruals	10,202	16,890
Amounts owing to related companies	6,916	5,442
Amounts owing to associated company	470	322
Hire purchase and finance lease liabilities	354	295
Bank term loan	12,200	12,200
Current tax liabilities	86	61
<b>Total current liabilities</b>	<b>56,059</b>	<b>62,551</b>
<b>Total liabilities</b>	<b>97,522</b>	<b>106,084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>345,987</b>	<b>347,261</b>
<b>Net Assets per share (RM)</b>	<b>2.48</b>	<b>2.41</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity for Year-To-Date Ended 31 March 2012

	Attributable to Owners of the Company		Attributable to Non-Controlling Interest		Attributable to Owners of the Company		Attributable to Non-Controlling Interest	
	Share premium	Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2011	801	1,400	3	112	242	213,763	377	214,140
Total comprehensive income for the period	-	119	(3)	6,465	6,581		20	6,601
Balance at 31 March 2011	801	1,400	(564)	11	8,707	220,344	397	220,741
Balance at 1 January 2012	801	1,400	(285)	(37)	835	240,714	463	241,177
Total comprehensive income for the period			505	(1)	6,763	7,267	21	7,288
Balance at 31 March 2012	801	1,400	220	(38)	598	247,981	484	248,465

The condensed consolidated statement of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows For The Year-To-Date Ended 31 March 2012

	Year-To-Date Ended	
	31.03.2012 RM'000 Unaudited	31.03.2011 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,106	8,605
Adjustments for:		
Bad debts written off	-	-
Depreciation	4,346	3,823
Gain on disposal of property, plant and equipment	(270)	-
Property, plant and equipment written off	-	(2)
Share of profits of associated company, net of tax	(126)	(16)
Interest income	(207)	(14)
Dividend income	(2)	(2)
Interest expense	433	25
<b>Operating profit before working capital changes</b>	<b>13,280</b>	<b>12,368</b>
Net changes in current assets	(7,616)	(376)
Net changes in current liabilities	(6,464)	(765)
Cash generated (used in) from operations		(800)
Tax paid	(162)	(2,656)
<b>Net cash generated (used in) from operating activities</b>	<b>(962)</b>	<b>8,571</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,018)	(8,864)
Proceeds from disposal of property, plant and equipment	270	-
Interest received	207	14
Dividend received from other investment	2	2
<b>Net cash used in investing activities</b>	<b>(7,539)</b>	<b>(8,715)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	3,000	6,000
Repayment of term loan	(3,050)	(1,750)
Payment of hire purchase and finance lease liabilities	(72)	(1)
Interest paid	(433)	(25)
Dividend paid	-	-
<b>Net cash generated (used in) from financing activities</b>	<b>(555)</b>	<b>3,848</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASHEQUIVALENTS</b>	<b>(9,056)</b>	<b>3,704</b>
CASH AND CASHEQUIVALENTS BROUGHT FORWARD	49,280	46,927
EFFECT OF EXCHANGE RATE CHANGES	5	1
<b>CASH AND CASHEQUIVALENTS CARRIED FORWARD</b>	<b>40,229</b>	<b>50,632</b>
<b>Represented by:</b>		
Fixed deposits with licensed bank	29,637	29,333
Cash and bank balances	10,592	21,299
	<b>40,229</b>	<b>50,632</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



## Notes to the Interim Financial Report

Explanatory Notes in Compliance With Malaysia Financial Reporting Standards (MFRS) 134 Interim Financial

### A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for financial derivative which are stated at fair value.

These interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting in Malaysia and with IAS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the period in the current quarter of 31 March 2012 have not been audited.

The interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended (FYE) 31 December 2011. 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 FYE 31 December 2011.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

### A2. Adoption of Revised Financial Reporting Standards

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (as amended in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

### A3. Audit Report

The Audit Report of the Group's annual financial statements for the FYE 31 December 2011 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.



### Notes to the Interim Financial Report

Explanatory Notes in Compliance With Malaysia Financial Reporting Standards (MFRS) 134 Interim Financial Reporting

#### A6. Changes in Estimates

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

#### A7. Issuances, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

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

#### A8. Dividends Paid

No interim or final dividends were paid in the current quarter under review.

#### A9. Segmental Reporting

	Segmental Revenue		Segmental Result (PBT)	
	3 months ended		3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
<b>International Business Solutions</b>				
Air Freight Forwarding Division <sup>1</sup>	39,008	42,889	1,118	57
Ocean Freight Forwarding Division <sup>2</sup>	8,424	7,090	322	158
Origin Cargo Order & Vendor Management Division <sup>3</sup>	545	681	12	54
	<b>47,977</b>	<b>50,660</b>	<b>1,452</b>	<b>269</b>
<b>Domestic Business Solutions</b>				
Contract Logistics Division	49,281	49,868	7,401	7,172
Trucking Division	20,637	17,835	253	1,164
	<b>69,918</b>	<b>67,703</b>	<b>7,654</b>	<b>8,336</b>
<b>Total</b>	<b>117,895</b>	<b>118,363</b>	<b>9,106</b>	<b>8,605</b>

Note 1: International Air Freight Division is now known as Air Freight Forwarding Division

Note 2: International Sea Freight Division is now known as Ocean Freight Forwarding Division

Note 3: International Network Solutions Division is now known as Origin Cargo Order & Vendor Management Division

#### A10. Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment.

#### 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.





## Notes to the Interim Financial Report

Explanatory Notes in Compliance With Malaysia Financial Reporting Standards (MFRS) 134 Interim Financial Reporting

## A13. Contingent Assets and Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

## A14. Capital Commitment

	Asat 31.03.2012 RM'000	Asat 31.12.2011 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	1,982	2,370
	=====	=====

## A15. Related Party Disclosures

	3 months ended	
	31.03.2012 RM'000	31.03.2011 RM'000
<b>Transaction with subsidiary companies</b>		
Rental of trucks paid and payable to subsidiary company	103	371
Labour charges paid and payable to subsidiary companies	9,504	6,707
Maintenance charges paid and payable to subsidiary company	1,301	1,173
Handling fees paid and payable to subsidiary company	142	143
Related logistics services paid and payable to subsidiary company	2	6
Related logistics services received and receivable from subsidiary company	2,371	2,188
Rental of premises received from subsidiary company	9	1
Rental of trucks received and receivable from subsidiary company	253	127
	=====	=====
<b>Transaction with related companies</b>		
Related logistics services received and receivable	11,257	21,171
Related logistics services paid and payable	15,484	13,448
Management fee paid and payable	252	100
Consultancy fees paid and payable	344	38
Rental received	75	75
Repair and maintenance services	130	121
	=====	=====
<b>Transaction with associated company</b>		
Rental of premises paid	282	282
	=====	=====



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

### B1. Performance Review (Year-to-date, 2012 vs Year-to-date 2011)

The Group achieved revenue of RM117.9 million for the financial period ended ("FPE") 31 March 2012, as against RM118.4 million for the corresponding period in 2011, a decrease of 0.4% or RM468k. The nominal reduction in revenue was due to our International Business Solutions ("IBS") segment posting a 5.3% drop in revenue. Nevertheless, this drop in the revenue of IBS was mitigated by a corresponding increase in revenue of 3.3% posted by our Domestic Business Solutions ("DBS") segment.

Within the IBS, the Air Freight Forwarding ("AFF") division registered a drop of 9% due to lower export shipments from our major customers. However, this was mitigated by a 19% increase in revenue registered by the Ocean Freight Forwarding ("OFF") division. Whereas within the DBS, the Contract Logistics ("CL") division posted a 1.2% drop in revenue which was due to a drop in the customs clearance business segment. Nevertheless, this was offset by higher revenue registered by our warehousing business segment. Our Trucking division also contributed to better performance of IBS by posting a 16% increase in revenue.

Despite the nominal reduction in revenue, profit before taxation ("PBT") for FPE 31 March 2012 increased to RM9.1 million from RM8.6 million, an increase of 5.8%, while profit for the period went up to RM6.8 million from RM6.5 million, an increase of 4.6%. The increase in profits was mainly due to better margins from the AFF division due to urgent export shipments, resulting in AFF increasing its PBT by 1,868% y-o-y. Better profits were also contributed by our CL division as well as OFF division, which posted a 3.2% and 103% increase in PBT respectively. However, the Trucking division's profit margin continued to deteriorate due to a more competitive environment, registering a drop of 78% in PBT.

### B2. Comparison with preceding Quarter's results (Quarter 1, 2012 vs Quarter 4, 2011)

The Group achieved revenue of RM117.9 million for the 1st quarter ended 31 March 2012 ("1QFY12"), as against revenue of RM113.9 million for the 4th quarter ended 31 December 2011 ("4QFY11"). This represents an increase of RM4.0 million or 3.5%. The increase in revenue was due to higher revenue posted by both IBS and DBS, which posted revenue increase of 4.5% and 2.9% respectively. Within the IBS, both the AFF and OFF divisions posted increase in revenue of 4.9% and 3.4% respectively. Within the DBS, the Trucking division posted an increase in revenue of 27% but the CL division posted a 4.8% drop in revenue due to a drop in customs clearance business segment.

PBT for 1QFY12 decreased by 4.9% from RM9.6 million to RM9.1 million, mainly due to higher operational costs in CL and Trucking divisions. Profit for the period reduced from RM14.0 to RM6.8, a reduction of RM7.2 million or 51% which was due to a one-off investment tax allowance ("ITA") claimed by us in 4QFY11 under the Integrated Logistics Service scheme awarded by MIDA. The impact of the ITA was a tax saving of approximately RM9.8 million incorporated in our tax report in 4QFY11.

### B3. Prospects for the Remaining Period to the End of the Financial Year

The recovery of the global economy remained uncertain in the face of the still unresolved Euro zone sovereign debt crisis as well as structural issues in the advanced economies. The International Monetary Fund has projected global output to expand by 3.25 percent in 2012, a downward revision of 0.75 percent from its previous projection. It expected a mild recession in the Euro zone economy as well as slowing growth in emerging economies in 2012. Nevertheless, thanks to measures taken by the various EU governments to deal with the Euro zone crisis, the global financial market conditions were much better in 1Q2012 versus 4Q2011.

In Malaysia, the MIER expected the economic growth to be driven by domestic demand against a backdrop of unfavourable economic developments overseas. The MIER is predicting a growth of 4.2% in 2012, an upward revision from its previous forecast of 3.7%. This is to take into account the increase in both consumer and business confidence in the first quarter.

The prospects of the Group's business are very much tied-in to the performance of the Malaysian and global economies which has a direct impact on the health and vibrancy of the manufacturing sectors and international trade. The Group has managed to achieve a creditable performance in the quarter just ended partly due to our strategic investment in assets with good returns which was able to provide a measure of stability to our revenue and earnings within our DBS. While we expect the next two quarters to be challenging, nevertheless with our focus on the domestic and intra-Asian fronts as well as our minimal exposure to the Euro zone, we are hopeful of the prospects of the Group for the rest of the financial year. Going forward, we will continue to remain focused in servicing our customers with innovative logistics solutions, and expand our logistics capacity where it is beneficial to do so taking into consideration of the risk factors.

**B4. Profit Forecast**

Not applicable as there is no forecast/profit guarantee.

**B5. Tax expense**

	Quarter and Year-to-Date Ended	
	31.03.2012 RM'000	31.03.2011 RM'000
Income tax		
- Current tax	(2,424)	(2,188)
Deferred tax		
- Current year	102	68
	<u>(2,322)</u>	<u>(2,120)</u>

The Group's effective tax rate for the cumulative 3 months ended 31 March 2012 was about the statutory rate of 25%.

**B6. Corporate Proposals**

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

**B7. Borrowing**

	Asat	Asat
	31.03.2012 RM'000	31.12.2011 RM'000
Short term borrowing		
Hire purchase and finance lease liabilities	354	295
Bank loan (unsecured)	12,200	12,200
Long term borrowing		
Hire purchase and finance lease liabilities	179	311
Bank loan (unsecured)	28,491	30,117
	<u>41,224</u>	<u>42,923</u>

The borrowings are denominated in Ringgit Malaysia except for the bank term loan which is denominated in USD Dollar.

**B8. Litigation**

There was no material litigation pending since the last annual balance sheet date to the date of this report.

**B9. Dividend Payable**

No interim ordinary dividend has been recommended in this current quarter under review.

**B10. Earnings per share**

	Quarter and Year-To-Date Ended	
	31.03.2012	31.03.2011
PAT after non-controlling interest (RM'000)	6,763	6,465
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Earnings per share (sen)	6.76	6.47

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2012. Accordingly, no diluted earnings per share is presented.

**B11. Derivative Financial Instruments**

As at 31 March 2012, the Group has the following outstanding derivative financial instruments:

Derivatives	Contractor Notional Amount RM'000	Fairvalue net gains or (loses) RM'000	Purpose
1. Cross currency swap Contracts: - More than 3 years	40,691	(1,072)	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	974		For hedging currency risk in payables

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.



## B12. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE

	Asat 31.03.2012 RM'000	Asat 31.12.2011 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
-Realised	164,216	157,851
-Unrealised	(12,423)	(12,715)
	151,794	145,136
Total shares of retained profits/(accumulated losses) from associated companies:-		
-Realised	2,289	2,138
-Unrealised	-	-
	154,083	147,274
Less: Consolidation adjustments	(8,484)	(8,439)
<b>Total group retained profits/(accumulated losses) as per consolidated accounts</b>	<b>145,598</b>	<b>138,835</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

## B13. PROFIT FOR THE PERIOD

	Quarter and Year-To-Date Ended	
	31.03.2012 RM'000	31.03.2011 RM'000
<b>Profit for the period as arrived at after crediting :</b>		
Interest income	207	147
Other income	373	499
Foreign exchange gain	-	-
Unrealised foreign exchange gain	-	-
<b>and after charging:</b>		
Interest expenses	433	257
Depreciation	4,346	3,823
Provision for/write off receivables	-	-
Provision for/write off inventories	-	-
Foreign exchange loss	47	279
Other loss	-	-

There were no gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional item for current quarter and financial period ended 31 March 2012 (31 March 2011: Nil)