

TASCO Berhad
(Company No: 20218-T)



Condensed Consolidated Financial Statements
For The Quarter And Year-To-Date Ended
30 June 2012



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter And Year-To-Date Ended 30 June 2012**

	3 months ended		Cumulative 6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	107,899	107,422	225,794	225,785
Cost of sales	(79,964)	(81,450)	(169,732)	(173,413)
Gross profit	27,935	25,972	56,062	52,372
Other operating income	397	349	977	995
General and administrative expenses	(18,698)	(16,848)	(37,992)	(35,198)
Profit from operations	9,634	9,473	19,047	18,169
Share of profits of associated companies	185	165	311	331
Finance costs	(427)	(343)	(860)	(600)
Profit before taxation	9,392	9,295	18,498	17,900
Tax expense	(2,267)	(2,198)	(4,589)	(4,318)
Profit for the period	7,125	7,097	13,909	13,582
Other Comprehensive Income:				
Exchange differences on translation of foreign operations	(289)	(36)	(42)	(39)
Fair Value adjustment on cash flow hedge	(220)	(6)	36	113
Other comprehensive income/(Loss) for the period, net of tax	(509)	(42)	(6)	7
Total Comprehensive Income	6,616	7,055	13,903	13,656
Profit Attributable to:				
Owners of the Company	7,105	7,080	13,868	13,545
Non-Controlling Interest	20	17	41	37
	7,125	7,097	13,909	13,582
Total Comprehensive Income attributable to:				
Owners of the Company		6,596	7,038	13,862
Non-Controlling Interest	20	17	41	37
	6,616	7,055	13,903	13,656
Earnings per share (sen) -basic	7	.11	7.08	13.87
				13.54

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 30 June 2012

	Asat 30.06.2012 RM'000 Unaudited	Asat 31.12.2011 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	192,120	194,305
Goodwill	865	865
Investment in associated company	5,449	5,138
Available-for-Sale investments	1,225	1,225
Total non-current assets	199,659	201,533
Current assets		
Inventories	124	241
Trade receivables	66,454	67,883
Other receivables, deposits and prepayments	6,712	4,413
Amounts owing by related companies	10,142	9,359
Current tax asset	11,581	14,552
Fixed deposits with licensed bank	42,509	29,639
Cash and bank balances	13,072	19,641
Total current assets	150,594	145,728
TOTAL ASSETS	350,253	347,261

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 30 June 2012

	Asat 30.06.2012 RM'000 Unaudited	Asat 31.12.2011 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	100,000	100,000
Share premium	801	801
Revaluation reserve	1,400	1,400
Hedgereserve	(249)	(285)
Exchange translation reserve	(79)	(37)
Retained profits	142,703	138,835
	-----	-----
Equity attributable to owners of the Company	244,576	240,714
	-----	-----
Non-controlling interest	504	463
	-----	-----
Totalequity	245,080	241,177
	-----	-----
Non-current liabilities		
Hire purchase and finance lease liabilities	130	311
Long term bank loan	26,805	30,117
Deferred tax liabilities	13,317	13,105
	-----	-----
Total non-current liabilities	40,252	43,533
	-----	-----
Current liabilities		
Trade payables	24,703	27,341
Other payables, deposits and accruals	19,941	16,890
Amounts owing to related companies	6,392	5,442
Amounts owing to associated company	658	322
Hire purchase and finance lease liabilities	330	295
Bank term loan	12,800	12,200
Current tax liabilities	97	61
	-----	-----
Total current liabilities	64,921	62,551
	-----	-----
Total liabilities	105,173	106,084
	-----	-----
TOTAL EQUITY AND LIABILITIES	350,253	347,261
	=====	=====
Net Assets per share (RM)	2.45	2.41
	=====	=====

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 30 June 2012

	Attributable to Owners of the Company									
	Non-distributable					Distributable				
	Share capital	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	RM'000	RM'000
Balance at 1 January 2011	100,000	801	1,400	(683)	3 112	,242	213,763	377		214,140
Total comprehensive income for the period			-	113		(39)	13,545	13,619	37	13,656
Dividend declared						(7,998)	(7,998)		(7,998)	
Balance at 30 June 2011	100,000	801	1,400	(570)	(36) 117,	789	219,384	414	219,798	
Balance at 1 January 2012	100,000	801	1,400	(285)	(37) 138,	835	240,714	463	241,177	
Total comprehensive income for the period				36	(42)		13,868	13,862	41	13,9
Dividend declared						(10,000)	(10,000)		(10,000)	
Balance at 30 June 2012	100,000	801	1,400	(249)	(79) 142,	703	244,576	504	245,080	

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 30 June 2012

	Year-To-Date Ended	
	30.06.2012 RM'000 Unaudited	30.06.2011 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,498	17,900
Adjustments for:		
Bad debts written off	-	-
Depreciation	8,282	7,723
Gain on disposal of property, plant and equipment	(309)	-
Property, plant and equipment written off	-	(2)
Share of profits of associated company, net of tax	(311)	(33)
Interest income	(421)	(32)
Dividend income	(42)	(38)
Interest expense	860	60
Operating profit before working capital changes	26,557	25,523
Net changes in current assets	(1,853)	187
Net changes in current liabilities	(5,572)	2,125
Cash generated from operations		19,132
Tax paid	(1,357)	(3,433)
Net cash generated from operating activities	17,775	24,402
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,001)	(27,196)
Proceeds from disposal of property, plant and equipment	309	(2)
Interest received	421	32
Dividend received from other investment	42	38
Net cash used in investing activities	(7,229)	(26,831)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	3,000	15,000
Repayment of term loan	(6,250)	(4,000)
Payment of hire purchase and finance lease liabilities	(146)	(25)
Interest paid	(860)	(60)
Net cash generated (used in) from financing activities	(4,256)	10,141
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,290	7,712
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	49,280	46,927
EFFECT OF EXCHANGE RATE CHANGES	11	6
CASH AND CASH EQUIVALENTS CARRIED FORWARD	55,581	54,645
Represented by:		
Fixed deposits with licensed bank	42,509	32,403
Cash and bank balances	13,072	22,242
	55,581	54,645

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 30 June 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 Malaysia 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	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)	
	6 months ended		6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
International Business Solutions				
Air Freight Forwarding Division ¹	71,112	76,757	1,843	(357)
Ocean Freight Forwarding Division ²	16,187	14,398	527	411
Origin Cargo Order & Vendor Management Division ³	960	1,260	(29)	121
	88,259	92,415	2,341	175
Domestic Business Solutions				
Contract Logistics Division	98,720	101,063	14,286	15,632
Trucking Division	38,815	32,307	1,871	2,093
	137,535	133,370	16,157	17,725
Total	225,794	225,785	18,498	17,900

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.

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.



Notes to the Interim Financial Report

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

A14. Capital Commitment

	Asat 30.06.2012 RM'000	Asat 31.12.2011 RM'000
Authorised and contracted for - acquisition of property, plant and equipment	1,246	2,370

A15. Related Party Disclosures

	6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000
Transaction with subsidiary companies		
Rental of trucks paid and payable to subsidiary company	206	242
Labour charges paid and payable to subsidiary companies	7,435	5,092
Maintenance charges paid and payable to subsidiary company	2,389	2,281
Handling fees paid and payable to subsidiary company	631	301
Related logistics services paid and payable to subsidiary company	3	3
Related logistics services received and receivable from subsidiary company	4,685	4,700
Rental of premises received from subsidiary company	48	2
Rental of trucks received and receivable from subsidiary company	253	253
Transaction with related companies		
Related logistics services received and receivable	27,925	35,926
Related logistics services paid and payable	27,880	23,696
Management fees paid and payable	1,458	217
Consultancy fees paid and payable	326	48
Rental received	150	150
Repair and maintenance services	280	263
Transaction with associated company		
Rental of premises paid	564	564



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 RM225.79 million for the financial period ended ("FPE") 30 June 2012, which is almost the same as that achieved for the corresponding period in 2011 of RM225.78 million. Revenue from the International Business Solutions ("IBS") segment posted a drop of 4.5% (RM4.1 mil) but this was compensated by a 3.1% (RM4.1 mil) increase in revenue posted by the Domestic Business Solutions ("DBS") segment.

Within the IBS, the Air Freight Forwarding ("AFF") division registered a drop of 7% (RM5.6 mil) due to lower export volume but this was mitigated by a 9.5% (RM1.5 mil) increase in revenue registered by the Ocean Freight Forwarding ("OFF") division. Whereas within the DBS, the Contract Logistics ("CL") division posted a 2.3% (RM 2.3 mil) drop in revenue but this was offset by the Trucking division which posted a 20% (RM6.5 mil) increase in revenue. The drop in CL was mainly due to reduced sales from custom brokerage but better performances were registered by auto CBU and haulage businesses. As for Trucking division, the better results were due to newly secured customers as well as increased activity in cross-border trucking business.

Profit before taxation ("PBT") for FPE 30 June 2012 meanwhile increased to RM18.5 million from RM17.9 million, an increase of 3.3%. Profit for the period ("PFP") meanwhile went up to RM13.9 million from RM13.6 million, an increase of 2.2%. The increase in profits was mainly due to better profit contribution from the AFF division, whereby its PBT registered an increase of 616% y-o-y, which was due to higher gross margin and lower operation costs. The DBS segment meanwhile registered a drop of 8.9% in its PBT due to higher operational costs.

B2. Comparison with preceding Quarter's results (Quarter 2, 2012 vs Quarter 1, 2012)

The Group revenue for 2nd quarter ended 30 June 2012 ("2QFY12") was registered at RM107.9 million, as against revenue of RM117.9 million for the 1st quarter ended 31 March 2012 ("1QFY12"). This represents a decrease of RM9.9 million or 8%. The decrease in revenue was mainly due to lower revenue posted by the IBS segment, which registered revenue decrease of 16% (RM 7.6 million). Within the IBS, both AFF and OFF division registered a drop of 17.7% and 8.8%. The reason for the drop in AFF revenue was due to lower shipments by our major E&E customers to Japan and Korea in 2QFY12 as compared to 1QFY12.

Despite lower revenue, PBT for 2QFY12 increased marginally by 3.1% from RM9.1 million to RM9.4 million, mainly due to higher PBT in Trucking division and haulage business. Profit for the period increased from RM6.8 million to RM7.1 million, an increase of RM0.3 million or 4.4%.

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

Unfavourable economic data coming out of the Euro zone has continue to paint a pessimistic outlook on the global economy. The uncertainty about Greece's fate in the EU, and indeed the possible breakup of the EU itself, has kept the market guessing for most of 2Q2012, resulting in investments being held back and hurting sentiment in many export-oriented economies that thrives on European market. Emerging Asia which posted strong results in 1Q2012 returned to struggling ways during 2Q2012 in the face of slowdown in China and India.

In Malaysia, despite a steep fall in export of about 20% due mainly to slowing import in China, the economy managed to registered a more moderate growth of 4.7% during 1Q2012 (4Q2011: 5.2%). Nonetheless, a push on domestic demand has helped to cushion the decline in external demand. Going forward, economists are expecting domestic demand to be the main economic driver given the negative external environment.

The prospects of the Group's businesses are very much tied to the Malaysian and global economies as they directly impact the health and vibrancy of the industries and international trade. In light of the negative economic environment, the Group has managed to turn in a respectable result in the quarter just ended, due to our strategic investment in assets with good returns. Going forward, despite the negative economic environment, we are expecting 3Q2012 to be a better quarter than 2Q2012 due to securing of new businesses as well as seasonal factors. We would also expect seasonal factors to spill over to 4Q2012. With our focus on the domestic and intra-asian front as well as our minimal exposure to the Euro zone, we remain hopeful of the prospects of the Group for the rest of the financial year. We will also remained focused in servicing our customers with innovative logistics solutions and expand our logistics capacity where it is beneficial to do so after due consideration of the risk factors.

**B4. Profit Forecast**

Not applicable as there is no forecast/profit guarantee.

B5. Tax expense

	3 months ended		Cumulative 6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Income tax				
- Current tax	(1,966)	(2,476)	(4,390)	(4,664)
Deferred tax				
- Current year	(301)	278	(199)	346
	(2,267)	(2,198)	(4,589)	(4,318)

The Group's effective tax rate for the cumulative 6 months ended 30 June 2012 was about the statutory rate of 25%.

B6. Corporate Proposals

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

B7. Borrowing

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
	Short term borrowing	
Hire purchase and finance lease liabilities	330	295
Bank loan (unsecured)	12,800	12,200
Long term borrowing		
Hire purchase and finance lease liabilities	130	311
Bank loan (unsecured)	26,805	30,117
	40,065	42,923

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

A tax exempt final dividend of 1.30 sen and franked dividend of 11.60 sen less 25% tax (8.70 sen net per ordinary share) for the financial year ended 31 December 2011, amounting to RM10,000,000 was approved by the shareholders in the Annual General Meeting on 13 June 2012 and paid on 12 July 2012.

B10. Earnings per share

	3 months ended		Cumulative 6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
PAT after non-controlling interest (RM'000)	7,105	7,080	13,868	13,545
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Earnings per share (sen)	7.11	7.08	13.87	13.55

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2012. Accordingly, no diluted earnings per share is presented.

**B11. Derivative Financial Instruments**

As at 30 June 2012, the Group has the following outstanding derivative financial instruments:

Derivatives	Contractor Notional Amount RM'000	Fairvalue net gains or (losses) RM'000	Purpose
1. Cross currency swap Contracts: - More than 3 years	39,605	1,646	For hedging currency risk in bank term loan
2. Forward currency contracts: - Less than 1 year	1,285		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 30.06.2012 RM'000	Asat 31.12.2011 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	161,700	157,851
- Unrealised	(12,948)	(12,715)
	148,753	145,136
Total shares of retained profits/(accumulated losses) from associated companies:-		
- Realised	2,449	2,138
- Unrealised	-	-
	151,201	147,274
Less: Consolidation adjustments	(8,498)	(8,439)
Total group retained profits/(accumulated losses) as per consolidated accounts	142,703	138,835

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

	3 months ended		Cumulative 12 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Profit for the period as arrived at after crediting :				
Interest income	214	182	421	329
Other income	183	167	556	666
Foreign exchange gain	-	-	-	-
Unrealised foreign exchange gain	-	-	-	-
and after charging:				
Interest expenses	427	343	860	600
Depreciation	3,936	3,900	8,282	7,723
Provision for/write off receivables	-	-	-	-
Provision for/write off inventories	-	-	-	-
Foreign exchange loss	143	190	190	469
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 30 June 2012 (30 June 2011): Nil