



**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.11</b>	<b>30.06.10</b>	<b>30.06.11</b>	<b>30.06.10</b>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	31,448	29,335	62,132	58,011
Operating costs	(30,493)	(27,832)	(59,043)	(53,135)
Other income	1,134	1,544	2,250	2,623
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit from operations</b>	<b>2,089</b>	<b>3,047</b>	<b>5,339</b>	<b>7,499</b>
Finance costs	(932)	(1,417)	(1,984)	(2,816)
Share of results of				
Associates	335	332	491	957
Jointly controlled entities	(170)	(149)	(322)	(283)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit before tax</b>	<b>1,322</b>	<b>1,813</b>	<b>3,524</b>	<b>5,357</b>
Taxation	(455)	(1,626)	(1,092)	(1,924)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit for continuing operations</b>	<b>867</b>	<b>187</b>	<b>2,432</b>	<b>3,433</b>
<b>Discontinued operations</b>				
Profit from discontinued operations, net of tax	-	2,158	-	3,180
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit for the period</b>	<b>867</b>	<b>2,345</b>	<b>2,432</b>	<b>6,613</b>
<b>Attributable to:</b>				
Owners of the Company	580	1,801	1,767	5,009
Minority interest	287	544	665	1,604
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit for the period</b>	<b>867</b>	<b>2,345</b>	<b>2,432</b>	<b>6,613</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.



CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.11	30.06.10	30.06.11	30.06.10
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>867</b>	<b>2,345</b>	<b>2,432</b>	<b>6,613</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences of foreign operations	2,580	357	(2,039)	(17,135)
Changes in fair value of available-for-sale financial assets	270	(190)	262	(190)
<b>Other comprehensive income for the period, net of tax</b>	<b>2,850</b>	<b>167</b>	<b>(1,777)</b>	<b>(17,325)</b>
<b>Total comprehensive income for the period</b>	<b><u>3,717</u></b>	<b><u>2,512</u></b>	<b><u>655</u></b>	<b><u>(10,712)</u></b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	2,457	1,813	(430)	(9,138)
Minority interests	1,260	699	1,085	(1,574)
<b>Total comprehensive income for the period</b>	<b><u>3,717</u></b>	<b><u>2,512</u></b>	<b><u>655</u></b>	<b><u>(10,712)</u></b>
<b>Earnings per share (sen)</b>				
<b>- Basic</b>	<b><u>0.3</u></b>	<b><u>0.9</u></b>	<b><u>1.0</u></b>	<b><u>2.6</u></b>
<b>- Diluted</b>	<b><u>0.3</u></b>	<b><u>0.9</u></b>	<b><u>1.0</u></b>	<b><u>2.6</u></b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30.06.11 RM'000	As at 31.12.10 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	180,488	180,930
Land use rights	126,032	127,331
Capital work-in-progress	48,329	38,939
Interest in associates	58,627	59,136
Interest in jointly controlled entities	26,902	27,809
Available-for-sale financial assets	1,431	1,124
	<b>441,809</b>	<b>435,269</b>
<b>Current assets</b>		
Trade receivables	27,364	22,329
Other receivables, deposits and prepayments	18,217	23,645
Tax assets	631	1,391
Amount owing by jointly controlled entity	23,007	20,132
Cash & cash equivalents	89,345	128,813
	<b>158,564</b>	<b>196,310</b>
<b>TOTAL ASSETS</b>	<b>600,373</b>	<b>631,579</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	197,026	197,026
Reserves	165,039	177,311
Treasury shares	(12,063)	(8,486)
<b>Total equity attributable to owners of the Company</b>	<b>350,002</b>	<b>365,851</b>
<b>Minority interest</b>	73,188	68,019
<b>Total equity</b>	<b>423,190</b>	<b>433,870</b>
<b>Non-current liabilities</b>		
Long term borrowings	116,953	107,655
Deferred tax liabilities	13,213	13,523
	<b>130,166</b>	<b>121,178</b>
<b>Current liabilities</b>		
Trade payables	5,134	4,449
Other payables, deposits and accruals	23,857	16,652
Amount owing to an associate	212	212
Short term borrowings	16,779	52,527
Taxation	1,035	2,691
	<b>47,017</b>	<b>76,531</b>
<b>Total Liabilities</b>	<b>177,183</b>	<b>197,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>600,373</b>	<b>631,579</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	<b>6 months ended</b>	
	<b>30.06.11</b>	<b>30.06.10</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	3,524	5,357
Profit before tax from discontinued operation	-	4,047
<b>Profit before tax, total</b>	<b>3,524</b>	<b>9,404</b>
Adjustments for :-		
Amortisation and depreciation of property, plant and equipment	3,444	6,240
Amortisation of land use rights	1,225	1,287
Deposits written off	-	117
Gain on disposal of property, plant and equipment	(28)	(355)
Reversal for doubtful debts	-	(109)
Reversal for employee benefits	-	(89)
Share of profits of associates	(491)	(957)
Share of losses of jointly controlled entities	322	283
Unrealised loss/(gain) on foreign exchange	10	(808)
Interest revenue	(727)	(174)
Interest expenses	1,984	2,940
Operating Profit Before Working Capital Changes	9,263	17,779
Decrease/(Increase) in trade and other receivables	393	(2,799)
Increase/(Decrease) in trade and other payables	7,890	(5,291)
Cash Generated From Operations	17,546	9,689
Interest paid	(1,873)	(1,729)
Tax paid	(2,764)	(5,381)
Tax refund	775	426
<b>Net Cash Generated From Operating Activities</b>	<b>13,684</b>	<b>3,005</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment in an associate	-	(5,749)
Capital repayments from an associate	19	-
Capital work-in-progress incurred	(9,297)	(515)
Capital contribution from minority shareholder	4,084	-
Proceeds from disposal of property, plant and equipment	27	373
Purchase of leasehold land	-	(15,132)
Purchase of property, plant and equipment	(3,473)	(868)
Advance to jointly controlled entity	(3,321)	-
Repayments from jointly controlled entity & associate	-	544
Interest received	727	174
<b>Net Cash Used In Investing Activities</b>	<b>(11,234)</b>	<b>(21,173)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(111)	(1,211)
Proceeds from term loan	17,963	-
Repayments of term loan and commercial financing i-facility	(23,010)	(15,970)
Proceeds from revolving credit	-	9,000
Repayments of revolving credit	(20,000)	-
Proceeds from unsecured loan	1,164	11,446
Payments to hire purchase payables	(401)	(122)
Payment to share buy-back	(3,577)	(5,398)
Dividend paid	(11,842)	(4,061)
<b>Net Cash Used In Financing Activities</b>	<b>(39,814)</b>	<b>(6,316)</b>
	(37,364)	(24,484)
Exchange differences	(2,104)	(6,402)
<b>Net decrease in cash and cash equivalents</b>	<b>(39,468)</b>	<b>(30,886)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>128,813</b>	<b>102,689</b>
<b>Cash and cash equivalents at end of the period</b>	<b>89,345</b>	<b>71,803</b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>6 months ended</b>	
	<b>30.06.11</b>	<b>30.06.10</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	3,524	5,357
Profit before tax from discontinued operation	-	4,047
<b>Profit before tax, total</b>	<u>3,524</u>	<u>9,404</u>
Adjustment for :-		
Non-cash items	5,739	8,375
Operating Profit Before Working Capital Changes	<u>9,263</u>	<u>17,779</u>
<b>Changes in working capital</b>		
Net change in current (assets)/liabilities	4,421	(14,774)
Net Cash Generated From Operating Activities	<u>13,684</u>	<u>3,005</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Cash Used In Investing Activities	(11,234)	(21,173)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Cash Used In Financing Activities	(39,814)	(6,316)
	<u>(37,364)</u>	<u>(24,484)</u>
Foreign exchange translation differences	(2,104)	(6,402)
<b>Net decrease in cash and cash equivalents</b>	<u>(39,468)</u>	<u>(30,886)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<b>128,813</b>	<b>102,689</b>
<b>Cash and cash equivalents at end of the period</b>	<u><u>89,345</u></u>	<u><u>71,803</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----							Distributable		Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Statutory reserve fund RM'000	Retained earnings RM'000	Total RM'000		
<b>6 months ended 30 June 2011</b>											
<b>At 01.01.11</b>	197,026	(8,486)	44,086	38,689	(6,045)	232	13,101	87,248	365,851	68,019	433,870
Total comprehensive income for the period					(2,124)	201	(274)	1,767	(430)	1,085	655
Treasury shares purchased		(3,577)							(3,577)		(3,577)
Final dividend of 3.5% per share less 25% in respect of the financial year ended 31.12.2010								(4,876)	(4,876)		(4,876)
Special dividend of 5% per share less 25% in respect of the financial year ended 31.12.2010								(6,966)	(6,966)		(6,966)
Capital contribution by minority shareholder									-	4,084	4,084
<b>At 30.06.11</b>	<b>197,026</b>	<b>(12,063)</b>	<b>44,086</b>	<b>38,689</b>	<b>(8,169)</b>	<b>433</b>	<b>12,827</b>	<b>77,173</b>	<b>350,002</b>	<b>73,188</b>	<b>423,190</b>
<b>6 months ended 30 June 2010</b>											
<b>At 01.01.10</b>	197,026	(8,905)	51,761	45,544	11,934	-	12,983	65,144	375,487	70,510	445,997
Effects of adopting FRS139						352			352	143	495
At 01.01.10, restated	197,026	(8,905)	51,761	45,544	11,934	352	12,983	65,144	375,839	70,653	446,492
Total comprehensive income for the period					(13,368)	(133)	(646)	5,009	(9,138)	(1,574)	(10,712)
Treasury shares purchased		(5,398)							(5,398)		(5,398)
Final dividend of 3% per share less 25% in respect of the financial year ended 31.12.2009								(4,061)	(4,061)		(4,061)
Share dividend of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held in the Company in respect of the financial year ended 31.12.2009		7,675	(7,675)								
<b>At 30.06.10</b>	<b>197,026</b>	<b>(6,628)</b>	<b>44,086</b>	<b>45,544</b>	<b>(1,434)</b>	<b>219</b>	<b>12,337</b>	<b>66,092</b>	<b>357,242</b>	<b>69,079</b>	<b>426,321</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Treasury shares RM'000	Non-distributable reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>6 months ended 30 June 2011</b>							
<b>At 01.01.11</b>	197,026	(8,486)	90,063	87,248	365,851	68,019	433,870
Total comprehensive income for the period			(2,197)	1,767	(430)	1,085	655
Treasury shares purchased		(3,577)			(3,577)		(3,577)
Final dividend of 3.5% per share less 25% in respect of the financial year ended 31.12.2010				(4,876)	(4,876)		(4,876)
Special dividend of 5% per share less 25% in respect of the financial year ended 31.12.2010				(6,966)	(6,966)		(6,966)
Capital contribution by minority shareholder					-	4,084	4,084
<b>At 30.06.11</b>	<b>197,026</b>	<b>(12,063)</b>	<b>87,866</b>	<b>77,173</b>	<b>350,002</b>	<b>73,188</b>	<b>423,190</b>
<b>6 months ended 30 June 2010</b>							
<b>At 01.01.10</b>	197,026	(8,905)	122,222	65,144	375,487	70,510	445,997
Effects of adopting FRS139			352		352	143	495
At 01.01.10, restated	197,026	(8,905)	122,574	65,144	375,839	70,653	446,492
Total comprehensive income for the period			(14,147)	5,009	(9,138)	(1,574)	(10,712)
Treasury shares purchased		(5,398)			(5,398)		(5,398)
Final dividend of 3% per share less 25% in respect of the financial year ended 31.12.2009				(4,061)	(4,061)		(4,061)
Share dividend of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held in the Company in respect of the financial year ended 31.12.2009		7,675	(7,675)		-		-
<b>At 30.06.10</b>	<b>197,026</b>	<b>(6,628)</b>	<b>100,752</b>	<b>66,092</b>	<b>357,242</b>	<b>69,079</b>	<b>426,321</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A. Explanatory Notes As Per "FRS134"**

**A.1 Accounting Policies**

The interim financial report is unaudited and has been prepared in accordance with FRS134, "Interim Financial Reporting" and Chapter 9.22 of Part K of the Listing Requirements of Bursa Malaysia and should be read in conjunction with the Group's most recent annual audited financial statements.

The accounting policies and methods of computation adopted in the interim financial report are consistent with those adopted in the most recent annual audited financial statements except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") that are effective from 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRSs contained in	the document entitled "Improvements to FRSs 2010"
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
TR i-4	Shariah Compliant Sale Contracts

The following new and revised FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:

	For financial periods beginning on or after
FRS 124	1 January 2012
IC Interpretation 15	1 January 2012
IC Interpretation 19	1 July 2011
Amendments to IC Interpretation 4	1 July 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the director expect that the adoption of other standards and interpretations above will have no material impact on the interim financial report in the period of initial application.

**A.2 Qualification of Preceding Annual Financial Statements**

The audit report of the Company's most recent annual financial statements was reported without qualification.

**A.3 Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.



#### A.4 Unusual Material Event

There were no material unusual events affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

#### A.5 Material Changes in Estimates

There were no significant changes in estimates of amounts reported which have a material effect in the current financial quarter under review.

#### A.6 Debts and Equity Securities

During the current financial quarter, the Company had repurchased a total of 2,125,200 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM0.951 per share. The total consideration paid for the share buy-back was RM2,020,198 and was financed by internally generated funds. As at 30 June 2011, a total of 13,392,100 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

Apart from the above, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale / repurchase of treasury shares during the current financial year-to-date.

#### A.7 Dividend Paid

A first and final dividend of 3.5% per share less 25% income tax amounting to RM4,876,158 and a special dividend of 5% per share less 25% income tax amounting RM6,965,936, in respect of the financial year ended 31 December 2010 was paid on 3 May 2011.

#### A.8 Operating Segments

The Group has three reportable segments below, which are the Group's strategic business units in two principal geographical areas. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

##### a. By Activity

	<b>Warehousing &amp; related value added services RM'000</b>	<b>Transportation &amp; distribution RM'000</b>	<b>Freight forwarding RM'000</b>	<b>Consolidated RM'000</b>
<b>Continuing operations</b>				
<b>6 months ended 30.06.2011</b>				
External revenue	<u>51,398</u>	<u>10,241</u>	<u>493</u>	<u>62,132</u>
Segment profit	<u>3,958</u>	<u>883</u>	<u>62</u>	<u>4,903</u>
<b>6 months ended 30.06.2010</b>				
External revenue	<u>47,649</u>	<u>9,751</u>	<u>611</u>	<u>58,011</u>
Segment profit	<u>5,250</u>	<u>1,028</u>	<u>67</u>	<u>6,345</u>
<b>Reconciliation of reportable segment profit</b>				
			<b>6 months ended</b>	
			<b>30.06.2011</b>	<b>30.06.2010</b>
			<b>RM'000</b>	<b>RM'000</b>
Total profit from reportable segments			4,903	6,345
Segment results of discontinued operation			-	4,047
Other non-reportable segments			(1,548)	(1,662)
Share of results of associates			491	957
Share of results of jointly controlled entities			(322)	(283)
Consolidated profit before tax			<u>3,524</u>	<u>9,404</u>

## A.8 Operating Segments (cont'd)

### b. By Geographical Location

External revenue	Continuing operations		Discontinued operation	
	6 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	-	38,569
The People's Republic of China (incl. Hong Kong)	62,132	58,011	-	-
	<b>62,132</b>	<b>58,011</b>	<b>-</b>	<b>38,569</b>
	Consolidated external revenue		Non-current assets	
	6 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	38,569	9,266	174,445
The People's Republic of China (incl. Hong Kong)	62,132	58,011	345,583	300,706
	<b>62,132</b>	<b>96,580</b>	<b>354,849</b>	<b>475,151</b>

Non-current assets consist of property, plant and equipment, prepaid land lease payment and capital work-in-progress.

## A9. Discontinued Operation

The comparative consolidated income statements has been represented to show the discontinued operation separately from the continuing operations following the disposal of subsidiaries to AWH Equity Holdings Sdn Bhd during the 4th quarter 2010 under review.

Profits attributable to the discontinued operation were as follows:-

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	-	20,132	-	38,569
Operating costs	-	(17,990)	-	(34,764)
Other income	-	306	-	366
<b>Profit from operations</b>	<b>-</b>	<b>2,448</b>	<b>-</b>	<b>4,171</b>
Finance costs	-	(60)	-	(124)
<b>Profit before tax</b>	<b>-</b>	<b>2,388</b>	<b>-</b>	<b>4,047</b>
Taxation	-	(230)	-	(867)
<b>Profit for the period</b>	<b>-</b>	<b>2,158</b>	<b>-</b>	<b>3,180</b>

## A.10 Valuations of Property, Plant and Equipment

The valuation of land and building has been brought forward without amendment from the previous audited Annual Financial Statements.

## A.11 Material Subsequent Events

On 18 July 2011, ILB's 70%-owned subsidiary Integrated Logistics (China) Co. Limited ("ILCN") had completed the share sale in relation to the Share Sale Agreement dated 2 June 2011 entered into between ILCN and Shanghai Zhong Se Realty Company Limited, for the sale of 100% equity interest in Integrated Shun Hing Logistics (Lingang) Co. Limited, a wholly-owned subsidiary of ILCN. This transaction is expected to result in an after tax gain of RM4.7million to the company.

Pursuant to the Share Sale Agreement ("SSA") dated 12 March 2010, entered into between ILB and AWH Equity Holdings Sdn Bhd, the freehold vacant industrial land held under Geran No. 298954, Lot 122410, Pekan Hicom, Daerah Petaling, Negeri Selangor, which was beneficially owned by Integrated Logistics Solutions Sdn Bhd ("ILSSB") and registered in the name of Integrated Warehouse Sdn Bhd ("IWSB"), was to be excluded from the SSA. (ILSSB and IWSB were formerly wholly-owned subsidiaries of ILB). On 5 August 2011, ILB had through ILSSB and IWSB entered into a Sale and Purchase Agreement with Tanjung Balai Holdings Sdn Bhd for the disposal of the said land for a total cash consideration of RM18,240,408. This transaction is expected to result in an after tax gain of RM9.1million to the company.

Integrated Cargo Services Sdn Bhd, a 50% owned associate of ILB and under Members' Voluntary Winding-up, was dissolved in July 2011.

### **A.12 Changes in The Composition of the Group**

On 17 February 2011, Shenzhen ISH Logistics Co. Limited, a wholly-owned subsidiary of ISH Logistics (Shenzhen) Co. Limited which ILB has 70% effective equity interest, has incorporated a wholly-owned subsidiary in The People's Republic of China, namely Beijing ISH Logistics Co. Ltd ("Beijing ISH"), with a registered capital of RMB1 million.

On 5 April 2011, ILB has acquired 2 ordinary shares of RM1.00 each in Business Protocol Sdn. Bhd. ("Business Protocol"), representing 100% of the issued and paid up share capital of Business Protocol for a total cash consideration of RM2.00.

On 2 June 2011, Integrated Logistics (China) Co. Limited ("ILCN"), a wholly-owned subsidiary of Integrated Logistics (H.K.) Limited which ILB has 70% effective equity interest, has entered into a Share Sale Agreement with Shanghai Zhong Se Realty Company Limited for the sale of 100% equity interest in Integrated Shun Hing Logistics (Lingang) Co. Limited ("ISH Lingang"), a wholly-owned subsidiary of ILCN. ISH Lingang owns the land located at No.A2304-B, Yangshan Free Trade Zone, The People's Republic of China.

### **A.13 Contingent Liabilities and Contingent Assets**

Corporate guarantees given by the Company to financial institutions for banking facilities granted to the subsidiaries amounted to RM64,834,645.

## B. Explanatory Notes As Per Bursa Malaysia - Listing Requirements Chapter 9.22 of Part K

### B.1 Review of Performance

The Group posted for the current quarter revenue from continuing operations of RM31.4million which was 7.2% higher than the revenue achieved in the corresponding period in the preceding year of RM29.3million. The Group posted a pre-tax profit from continuing operations of RM1.3million for the current quarter as compared to the pre-tax profit for the corresponding period in the preceding year of RM1.8million. The lower pre-tax profit for the current quarter was due mainly to increase in staff costs and expenses incurred in setting up of new operations in Chongqing and Xiamen in The People's Republic of China. There is no profit or loss arising from discontinued operations for the current quarter because the exercise involving the sale of Malaysia operations was completed on 1 October 2010 (note A9).

### B.2 Comparison With Immediate Preceding Quarter's Results

Compared to the immediate preceding quarter, the Group's revenue from continuing operations recorded an increase of 2.3% from RM30.7million to RM31.4million. The Group has recorded a pre-tax profit from continuing operations of RM1.3million for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM2.2million. The lower pre-tax profit for the current quarter was due mainly to increase in staff costs and preliminary expenses incurred in expansion of the operations in Chongqing in The People's Republic of China. There is no profit or loss arising from discontinued operations for the current quarter because the exercise involving the sale of Malaysia operations was completed on 1 October 2010 (note A9).

### B.3 Prospects

The management is optimistic the China operations will be well-positioned to capture the growth of the logistics industry in The Peoples' Republic of China with its business expansion plans. Barring any unforeseen circumstances, the management is confident the performance in the coming financial quarter will be satisfactory.

### B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

### B.5 Taxation

	Current financial quarter ended 30.06.11 RM'000	Current financial year-to-date ended 30.06.11 RM'000
Taxation comprises :-		
Current taxation	475	1,121
Deferred taxation	(20)	(29)
Tax expense for the period	<u>455</u>	<u>1,092</u>

### B.6 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties during the current quarter and financial year-to-date.

### B.7 Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date.

### B.8 Status of Corporate Proposals

There was no corporate proposal announced but not completed during the current quarter and financial year-to-date.

## B.9 Group Borrowings and Debt Securities

### a. Short term borrowings

	As at 30.06.11 RM'000	As at 30.06.10 RM'000
<b>Secured :-</b>		
Commercial financing i-facility and hire purchase payable	-	860
Portion of term loans payable within 12 months	16,779	21,542
	<u>16,779</u>	<u>22,402</u>
<b>Unsecured :-</b>		
Term loan	-	1,200
Revolving Credit	-	30,000
Loan from a minority shareholder	-	11,446
	<u>16,779</u>	<u>65,048</u>

### b. Long term borrowings

	As at 30.06.11 RM'000	As at 30.06.10 RM'000
<b>Secured :-</b>		
Commercial financing i-facility and hire purchase payable	-	3,073
Portion of term loans payable after 12 months	73,957	121,572
	<u>73,957</u>	<u>124,645</u>
<b>Unsecured :-</b>		
Term loan	-	-
Loan from a minority shareholder	42,996	38,917
	<u>116,953</u>	<u>163,562</u>

c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign currencies:-

	As at 30.06.11 RM'000	As at 30.06.10 RM'000
(i) In Chinese Renminbi		
Portion of term loans payable within 12 months	6,720	14,458
Portion of term loans payable after 12 months	19,181	64,447
(ii) In US Dollars		
Portion of term loans payable within 12 months	10,059	3,084
Portion of term loans payable after 12 months	54,776	13,124
(ii) In Hong Kong Dollars		
Loan from a minority shareholder	42,996	50,363

## B.10 Off-Balance Sheet Financial Instruments

There were no off-balance sheet instruments as at the date of this report.

## B.11 Financial Instruments

### a. Derivatives

There were no outstanding derivatives (including instruments designated as hedging instruments) in the current financial quarter under review.

### b. Gains/(losses) arising from fair value changes in financial liabilities

There were no gain/(loss) arising from the fair value changes in financial liabilities in the current financial quarter under review.

## B.12 Material Litigation

As at the date of this announcement, there were no material changes in litigations since the last annual reporting date.

### B.13 Dividend Payable

No dividend has been declared or paid for this financial quarter.

### B.14 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative Quarters	
	3 months ended		6 months ended	
	30.06.11	30.06.10	30.06.11	30.06.10
Group's Net profit after Tax and MI (RM'000)	580	1,801	1,767	5,009
Weighted average number of ordinary shares for basic EPS ('000)	184,800	190,658	185,656	192,339
Weighted average number of ordinary shares for diluted EPS ('000)	184,800	190,658	185,656	192,339
<b>Basic EPS (sen)</b>	<b>0.3</b>	<b>0.9</b>	<b>1.0</b>	<b>2.6</b>
<b>Diluted EPS (sen)</b>	<b>0.3</b>	<b>0.9</b>	<b>1.0</b>	<b>2.6</b>

### B.15 Realised and Unrealised Profits Disclosure

	As at end of current quarter 30.06.11 RM'000	As at end of preceding quarter 31.12.10 RM'000
Realised	63,970	72,418
Unrealised	13,203	14,830
	<u>77,173</u>	<u>87,248</u>

### B.16 Comparative Figures

Certain comparative figures have been reclassified where necessary to conform with current quarter's presentation.

In the first financial quarter 2010, RM2.5million operating costs were classified under Continuing Operations. In the second financial quarter 2010, these costs have been reclassified to Discontinued Operations.

### By Order of the Board

**Amarjit Singh A/L Banta Singh**  
Company Secretary

Selangor  
15 August 2011