



**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.11</b>	<b>31.12.10</b>	<b>31.12.11</b>	<b>31.12.10</b>
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
<b>Continuing operations</b>				
Revenue	35,477	32,313	133,774	119,860
Operating costs	(38,336)	(39,032)	(130,868)	(118,987)
Other income	10,580	7,275	18,455	11,721
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit from operations</b>	<b>7,721</b>	<b>556</b>	<b>21,361</b>	<b>12,594</b>
Finance costs	(1,113)	(1,819)	(3,995)	(6,143)
Share of results of				
Associates	1,436	(2,087)	2,118	(1,663)
Jointly controlled entities	(411)	(835)	(942)	(1,111)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) before tax</b>	<b>7,633</b>	<b>(4,185)</b>	<b>18,542</b>	<b>3,677</b>
Taxation	(1,869)	(2,154)	(4,400)	(6,486)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) for continuing operations</b>	<b>5,764</b>	<b>(6,339)</b>	<b>14,142</b>	<b>(2,809)</b>
<b>Discontinued operations</b>				
Profit from discontinued operations, net of tax	-	16,089	-	21,664
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit for the period</b>	<b>5,764</b>	<b>9,750</b>	<b>14,142</b>	<b>18,855</b>
<b>Attributable to:</b>				
Owners of the Parent	6,578	11,721	12,337	18,668
Non-controlling interests	(814)	(1,971)	1,805	187
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit for the period</b>	<b>5,764</b>	<b>9,750</b>	<b>14,142</b>	<b>18,855</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 STATEMENT OF COMPREHENSIVE INCOME**

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.11 RM'000	31.12.10 RM'000 (Restated)	31.12.11 RM'000	31.12.10 RM'000 (Restated)
<b>Profit for the period</b>	<b>5,764</b>	<b>9,750</b>	<b>14,142</b>	<b>18,855</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences of foreign operations	30	11,694	23,838	(21,285)
Changes in fair value of available-for-sale financial assets	46	19	69	(171)
<b>Other comprehensive income for the period, net of tax</b>	<b>76</b>	<b>11,713</b>	<b>23,907</b>	<b>(21,456)</b>
<b>Total comprehensive income for the period</b>	<b><u>5,840</u></b>	<b><u>21,463</u></b>	<b><u>38,049</u></b>	<b><u>(2,601)</u></b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	6,550	20,047	30,226	(424)
Non-controlling interests	(710)	1,416	7,823	(2,177)
<b>Total comprehensive income for the period</b>	<b><u>5,840</u></b>	<b><u>21,463</u></b>	<b><u>38,049</u></b>	<b><u>(2,601)</u></b>
<b>Earnings per share (sen)</b>				
<b>- Basic</b>	<b><u>3.7</u></b>	<b><u>6.2</u></b>	<b><u>6.8</u></b>	<b><u>9.8</u></b>
<b>- Diluted</b>	<b><u>3.7</u></b>	<b><u>6.2</u></b>	<b><u>6.8</u></b>	<b><u>9.8</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 STATEMENT OF FINANCIAL POSITION

	As at 31.12.11 RM'000	As at 31.12.10 RM'000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	249,911	180,930
Land use rights	109,193	127,331
Capital work-in-progress	908	38,939
Interest in associates	61,748	59,136
Interest in jointly controlled entities	48,567	27,809
Available-for-sale financial assets	1,325	1,124
	<b>471,652</b>	<b>435,269</b>
<b>Current assets</b>		
Trade receivables	33,910	22,329
Other receivables, deposits and prepayments	19,763	23,645
Tax assets	72	1,391
Amount owing by jointly controlled entity	12,973	20,132
Cash & cash equivalents	105,907	128,813
	<b>172,625</b>	<b>196,310</b>
<b>TOTAL ASSETS</b>	<b>644,277</b>	<b>631,579</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	197,026	197,026
Reserves	195,712	175,558
Treasury shares	(16,325)	(8,486)
<b>Total equity attributable to owners of the Parent</b>	<b>376,413</b>	<b>364,098</b>
<b>Non-controlling interests</b>	<b>71,436</b>	<b>58,826</b>
<b>Total equity</b>	<b>447,849</b>	<b>422,924</b>
<b>Non-current liabilities</b>		
Long term borrowings	110,421	107,655
Government grant received in advance	1,772	1,753
Deferred tax liabilities	14,005	13,523
	<b>126,198</b>	<b>122,931</b>
<b>Current liabilities</b>		
Trade payables	4,260	4,449
Other payables, deposits and accruals	26,204	16,652
Amount owing to an associate	-	212
Short term borrowings	37,829	52,527
Taxation	1,937	2,691
Dividend payable to non-controlling interests	-	9,193
	<b>70,230</b>	<b>85,724</b>
<b>Total Liabilities</b>	<b>196,428</b>	<b>208,655</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>644,277</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 STATEMENT OF CASH FLOWS

	12 months ended	
	31.12.11	31.12.10
	RM'000	RM'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	18,542	3,677
Profit before tax from discontinued operation	-	19,968
<b>Profit before tax, total</b>	<b>18,542</b>	<b>23,645</b>
Adjustments for :-		
Depreciation of property, plant and equipment	7,651	10,814
Amortisation of land use rights	2,306	2,613
Bad debts written off	-	244
Deposits written off	-	117
Gain on disposal of property, plant and equipment	(8,892)	(300)
Gain on disposal of investment in subsidiaries	(4,214)	(13,750)
Loss on disposal of investment in an associate	793	-
Impairment loss on investment in an associate	947	-
Impairment loss on land use right	-	4,743
Reversal for doubtful debts	(53)	(128)
Reversal for employee benefits	(36)	(334)
Property, plant and equipment written off	9	22
Waiver of debts by an associate	(211)	-
Waiver of debts by creditors	(21)	(36)
Share of (profits)/losses of associates	(2,118)	1,663
Share of losses of jointly controlled entities	942	1,111
Unrealised gain on foreign exchange	(32)	(1,307)
Provision for land penalty	3,491	-
Government grant income	(36)	(22)
Interest revenue	(1,510)	(609)
Interest expenses	3,995	6,324
Operating Profit Before Working Capital Changes	21,553	34,810
(Increase)/Decrease in trade and other receivables	(7,646)	11,537
Increase/(Decrease) in trade and other payables	7,551	(11,423)
Cash Generated From Operations	21,458	34,924
Government grant received	-	1,850
Interest paid	(3,591)	(4,172)
Tax paid	(4,608)	(8,897)
Tax refund	775	434
<b>Net Cash Generated From Operating Activities</b>	<b>14,034</b>	<b>24,139</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment in an associate	-	(5,575)
Additional investment in jointly controlled entity	-	(349)
Capital repayments from an associate	19	-
Capital work-in-progress incurred	(25,802)	(38,939)
Capital contribution from non-controlling shareholder	4,787	326
Proceeds from disposal of property, plant and equipment	16,922	686
Effect of disposal of subsidiaries, net of cash disposed	27,587	79,990
Proceeds from disposal of an associate	1,000	-
Purchase of land use rights	-	(22,707)
Purchase of property, plant and equipment	(5,435)	(4,772)
Advance to jointly controlled entity	(12,719)	-
Repayments from jointly controlled entity	-	1,904
Interest received	1,510	609
<b>Net Cash Generated From Investing Activities</b>	<b>7,869</b>	<b>11,173</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(111)	(2,152)
Proceeds from term loan	28,537	27,821
Repayments of term loan and commercial financing i-facility	(34,451)	(24,686)
Proceeds from revolving credit	-	9,000
Repayments of revolving credit	(20,000)	-
Proceeds from unsecured loan	1,840	4,990
Repayments of unsecured loan	(3,307)	-
Payments to hire purchase payables	(401)	(274)
Payment to share buy-back	(7,839)	(7,256)
Dividend paid	(11,842)	(4,061)
<b>Net Cash (Used In)/Generated From Financing Activities</b>	<b>(47,574)</b>	<b>3,382</b>
	(25,671)	38,694
Foreign exchange translation differences	2,765	(12,570)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,906)</b>	<b>26,124</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>105,907</b>	<b>128,813</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 STATEMENT OF CASH FLOWS**

	<b>12 months ended</b>	
	<b>31.12.11</b>	<b>31.12.10</b>
	RM'000	RM'000
		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	18,542	3,677
Profit before tax from discontinued operation	-	19,968
<b>Profit before tax, total</b>	<b>18,542</b>	<b>23,645</b>
Adjustment for :-		
Non-cash items	3,011	11,165
Operating Profit Before Working Capital Changes	21,553	34,810
<b>Changes in working capital</b>		
Net change in current (assets)/liabilities	(7,519)	(10,671)
Net Cash Generated From Operating Activities	14,034	24,139
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Cash Generated From Investing Activities	7,869	11,173
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Cash (Used In)/Generated From Financing Activities	(47,574)	3,382
Foreign exchange translation differences	2,765	(12,570)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,906)</b>	<b>26,124</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>105,907</b>	<b>128,813</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.



**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Unaudited Fourth Quarterly Report ended 31 December 2011**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-Distributable							Distributable			
	Share capital	Treasury shares	Share premium	Asset revaluation reserve	Foreign exchange translation reserve	Fair value reserve	Statutory reserve fund	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 December 2011</b>											
<b>At 01.01.11</b>	197,026	(8,486)	44,086	38,689	(5,970)	232	13,101	85,420	364,098	58,826	422,924
Total comprehensive income for the period	-	-	-	-	17,390	66	433	12,337	30,226	7,823	38,049
Transfer	-	-	-	-	-	-	1,264	(1,264)	-	-	-
Realisation of revaluation surplus on sale of property	-	-	-	(427)	-	-	-	427	-	-	-
In respect of an associate disposed	-	-	-	-	-	-	(5)	-	1,770	-	1,770
Treasury shares purchased	-	(7,839)	-	-	1,775	-	-	-	(7,839)	-	(7,839)
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 non-controlling shareholder	-	-	-	-	-	-	-	-	-	4,787	4,787
<b>At 31.12.11</b>	<b>197,026</b>	<b>(16,325)</b>	<b>44,086</b>	<b>38,262</b>	<b>13,195</b>	<b>298</b>	<b>14,793</b>	<b>85,078</b>	<b>376,413</b>	<b>71,436</b>	<b>447,849</b>
<b>12 months ended 31 December 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
Prior year adjustments	-	-	-	-	-	-	-	-	-	(9,976)	(9,976)
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	60,677	436,516
Total comprehensive income for the period	-	-	-	-	(17,904)	(120)	(1,068)	18,668	(424)	(2,177)	(2,601)
Transfer	-	-	-	-	-	-	1,186	(1,186)	-	-	-
Realisation of revaluation surplus on sale of property	-	-	-	(6,855)	-	-	-	(1,186)	-	-	-
Treasury shares purchased	-	(7,256)	-	-	-	-	-	6,855	(7,256)	-	(7,256)
Final dividend of 3% per share less 25% in respect of the financial year ended 31.12.2009	-	-	-	-	-	-	-	-	(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)	-	-	-	-	-	-	-	-
Capital contribution by non-controlling shareholder	-	-	-	-	-	-	-	-	-	326	326
<b>At 31.12.10</b>	<b>197,026</b>	<b>(8,486)</b>	<b>44,086</b>	<b>38,689</b>	<b>(5,970)</b>	<b>232</b>	<b>13,101</b>	<b>85,420</b>	<b>364,098</b>	<b>58,826</b>	<b>422,924</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	Non-controlling interests RM'000	Total equity RM'000
<b>12 months ended 31 December 2011</b>							
At 01.01.11	197,026	(8,486)	90,138	85,420	364,098	58,826	422,924
Total comprehensive income for the period	-	-	17,889	12,337	30,226	7,823	38,049
Transfer	-	-	1,264	(1,264)	-	-	-
Realisation of revaluation surplus on sale of property	-	-	(427)	427	-	-	-
In respect of an associate disposed	-	-	1,770	-	1,770	-	1,770
Treasury shares purchased	-	(7,839)	-	-	(7,839)	-	(7,839)
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 non-controlling shareholder	-	-	-	-	-	4,787	4,787
<b>At 31.12.11</b>	<b>197,026</b>	<b>(16,325)</b>	<b>110,634</b>	<b>85,078</b>	<b>376,413</b>	<b>71,436</b>	<b>447,849</b>
<b>12 months ended 31 December 2010</b>							
At 01.01.10	197,026	(8,905)	122,222	65,144	375,487	70,510	445,997
Prior year adjustments	-	-	-	-	-	(9,976)	(9,976)
Effects of adopting FRS 139	-	-	352	-	352	143	495
At 01.01.10, restated	197,026	(8,905)	122,574	65,144	375,839	60,677	436,516
Total comprehensive income for the period	-	-	(19,092)	18,668	(424)	(2,177)	(2,601)
Transfer	-	-	1,186	(1,186)	-	-	-
Realisation of revaluation surplus on sale of property	-	-	(6,855)	6,855	-	-	-
Treasury shares purchased	-	(7,256)	-	-	(7,256)	-	(7,256)
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)	-	-	-	-
Capital contribution by non-controlling shareholder	-	-	-	-	-	326	326
<b>At 31.12.10</b>	<b>197,026</b>	<b>(8,486)</b>	<b>90,138</b>	<b>85,420</b>	<b>364,098</b>	<b>58,826</b>	<b>422,924</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	Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15	Arrangements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, 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.

#### **MFRS Framework, new and revised FRSs, Amendments to FRSs, and IC Interpretations issued but not yet effective**

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.



#### **A.1 Accounting Policies (cont'd)**

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer.

As such, the Group and the Company will prepare its first financial statements using the MFRS Framework for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

#### **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 631,200 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM0.702 per share. The total consideration paid for the share buy-back was RM443,385 and was financed by internally generated funds. As at 31 December 2011, a total of 18,783,700 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>3 months ended 31.12.2011</b>				
External revenue	29,227	5,817	433	35,477
Segment profit/(loss)	2,339	(525)	60	1,874
<b>3 months ended 31.12.2010</b>				
External revenue	27,061	4,969	283	32,313
Segment (loss)/profit	(4,600)	229	460	(3,911)
	<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>12 months ended 31.12.2011</b>				
External revenue	110,078	22,329	1,367	133,774
Segment profit	9,646	878	219	10,743
<b>12 months ended 31.12.2010</b>				
External revenue	98,650	20,020	1,190	119,860
Segment profit	3,490	2,160	569	6,219
<b>Reconciliation of reportable segment profit</b>				
	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
	RM'000	RM'000	RM'000	RM'000
Total profit/(losses) from reportable segments	1,874	(3,911)	10,743	6,219
Segment results of discontinued operation	-	13,751	-	19,968
Other non-reportable segments	4,734	2,648	6,623	232
Share of results of associates	1,436	(2,087)	2,118	(1,663)
Share of results of jointly controlled entities	(411)	(835)	(942)	(1,111)
Consolidated profit before tax	<b>7,633</b>	<b>9,566</b>	<b>18,542</b>	<b>23,645</b>

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

### b. By Geographical Location

External revenue	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	5	-	5
The People's Republic of China (incl. Hong Kong)	35,477	32,308	133,774	119,855
	<b>35,477</b>	<b>32,313</b>	<b>133,774</b>	<b>119,860</b>
Segment profit/(loss)	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	396	-	396
The People's Republic of China (incl. Hong Kong)	1,874	(4,307)	10,743	5,823
	<b>1,874</b>	<b>(3,911)</b>	<b>10,743</b>	<b>6,219</b>

## 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		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	59,060
Operating costs	-	420	-	(52,851)
Other income	-	(419)	-	190
<b>Profit from operations</b>	-	<b>1</b>	-	<b>6,399</b>
Finance costs	-	-	-	(181)
Gain on disposal of discontinued operation	-	13,750	-	13,750
<b>Profit before tax</b>	-	<b>13,751</b>	-	<b>19,968</b>
Taxation	-	2,338	-	1,696
<b>Profit for the period</b>	-	<b>16,089</b>	-	<b>21,664</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 3 February 2012, the Company had cancelled a total of 19,000,000 ordinary shares of RM1.00 each held as treasury shares and thus the issued share capital of the Company was adjusted accordingly to RM178,025,503 comprising 178,025,503 ordinary shares of RM1.00 each. As at the date of this report, the balance number of shares still held as treasury shares by the Company is 411,600.

On 8 February 2012, Integrated Logistics (HK) Limited ("ILHK"), an indirect subsidiary in which ILB has 70% effective equity interest, has subscribed to the allotted 15,000,000 rights issue shares of Hengyang Petrochemical Logistics Limited ("Hengyang") pursuant to the Hengyang Rights Issue Exercise for a total consideration of S\$4.5million. The equity interest in Hengyang held by ILHK remained unchanged at 25.4%.

#### **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 II) 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 18 July 2011, Integrated Logistics (China) Co. Limited ("ILCN"), a wholly-owned subsidiary of Integrated Logistics (H.K.) Limited which ILB has 70% effective equity interest, 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 ("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.

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

Harbin ISH Logistics Co. Limited which ILB has 70% effective equity interest was dissolved and wound-up on 8 December 2011.

On 30 December 2011, ILB had completed the share sale in relation to the Share Sale Agreement dated 27 December 2011 entered into with Distinct Capital Pte. Ltd., for the sale of 50% equity interest in KP Integrated Sdn Bhd ("KPI"), a 50%-owned associate company of ILB. KPI has a 90% equity interest in KPI Warehouse Holdings Inc., a company incorporated under the Philippine laws.

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

There were no material changes in contingent liabilities and contingent assets since the last annual reporting date.

#### **A.14 Capital Commitment**

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM21.2million in respect of the construction of warehouse buildings and S\$4.5million in respect of undertaking for subscription of rights issue of Hengyang Petrochemical Logistics Limited. The Group also has approved and contracted share of jointly controlled entity capital commitment of RM4.6million in respect of the construction of logistics warehouse facility.

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

### B.1 Review of Performance

#### a. Comparison Between Current Financial Year With Preceding Financial Year's Results

For the financial year ended 31 December 2011, the Group posted revenue from continuing operations of RM133.8million which was 11.6% higher than the revenue achieved in the corresponding period in the preceding year of RM119.9million. The higher revenue derived mainly from the additional revenue generated from warehousing & related value added services and transportation & distribution segments of the Group's operations in Xiamen, Chongqing and Beijing in the People's Republic of China.

The Group posted a pre-tax profit from continuing operations of RM18.5million for the financial year which was 400.0% higher than the pre-tax profit for the corresponding period in the preceding year of RM3.7million.

Below are the detailed analysis for the pre-tax profit from continuing operations for the financial year:-

##### i) The People's Republic of China

The increase in pre-tax profit of RM8.7million for the financial year was derived mainly from the following:

- Increase of profit of RM1.5million generated from increase in revenue;
- exceptional gain of RM4.2million from the disposal of a subsidiary in the People's Republic of China;
- the impairment loss of RM4.7million for a land in the People's Republic of China for the corresponding period in the preceding year; and
- prior year adjustment in relation to government grant for the corresponding period in the preceding year which resulted in the reduction on income of RM1.8million. (refer Note B.14b).

The increase was set off by RM3.5million provision of penalty on the extension of development period of a land in the People's Republic of China.

##### ii) Malaysia

The increase in pre-tax profit of RM6.1million for the financial year was derived mainly from the following:

- exceptional gain of RM8.9million arising from the disposal of the freehold vacant industrial land at Shah Alam;
- the impairment loss on investment in associates of RM2.0million for the corresponding period in the preceding year.

The increase was set off by RM4.8million reversal of provision no longer required for the corresponding period in the preceding year.

#### b. Comparison Between Current Quarter With Corresponding Period In The Preceding Year's Results

For the current quarter ended 31 December 2011, the Group's posted revenue from continuing operations of RM35.5 million which was 9.9% higher than the revenue of RM32.3 million for the corresponding quarter in the preceding year. The higher revenue derived mainly from the additional revenue generated from warehousing & related value added services and transportation & distribution segments of the Group's operations in Xiamen, Chongqing and Beijing in the People's Republic of China.

The Group posted a pre-tax profit from continuing operations of RM7.6million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM4.2million.

Below are the detailed analysis for the pre-tax profit from continuing operations for the current quarter:-

##### i) The People's Republic of China

The increase in RM5.7million pre-tax profit for the current quarter was derived mainly from the following:

- Increase of profit of RM2.7million generated from increase in revenue;
- the impairment loss of RM4.7million for a land in the People's Republic of China for the corresponding quarter in the preceding year; and
- prior year adjustment for the corresponding quarter in the preceding year which resulted in the reduction on income of RM1.8million in relation to government grant. (refer Note B.14b).

The increase was set off by RM3.5million provision of penalty on the extension of development period of a land in the People's Republic of China;

## B.1 Review of Performance (cont'd)

### b. Comparison Between Current Quarter With Corresponding Period In The Preceding Year's Results (cont'd)

#### ii) Malaysia

The increase in RM6.1million pre-tax profit for the current quarter was derived mainly from the following:

- exceptional gain of RM8.9million arising from the disposal of the freehold vacant industrial land at Shah Alam;
- the impairment loss on investment in associates of RM2.0million for the corresponding quarter in the preceding year.

The increase was set off by RM4.8million reversal of provision no longer required for the corresponding period in the preceding year.

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

Compared to the immediate preceding quarter, the Group's revenue from continuing operations recorded a decrease of 1.9% from RM36.2million to RM35.5million.

The Group recorded a pre-tax profit from continuing operations of RM7.6million for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM7.4million. The slight increase of pre-tax profit for the current quarter was derived mainly from the following:

- an exceptional gain of RM8.9million arising from the disposal of the freehold vacant industrial land at Shah Alam, which was off set by:
  - (i) RM1.0million increase in operating cost;
  - (ii) RM3.5million provision of penalty on the extension of development period of a land in the People's Republic of China; and
  - (iii) exceptional gain of RM4.2million for the disposal of subsidiary in the immediate preceding quarter.

## B.3 Prospects

In view of the current global economy, the management foresees the market conditions to be challenging in 2012. The management has taken measures to ensure the sustainability of the operating revenue and profit of the Group. 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

	<b>Current financial quarter ended 31.12.11 RM'000</b>	<b>Current financial year-to-date ended 31.12.11 RM'000</b>
Taxation comprises :-		
Current taxation	1,524	4,136
Over provision in prior year	(254)	(254)
Deferred taxation	599	518
Tax expense for the period	<u>1,869</u>	<u>4,400</u>

## B.5 Taxation (cont'd)

### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 December 2011 is as follows:-

	<b>Current financial year-to-date ended 31.12.11 RM'000</b>
Profit before tax from continuing operations	<u>18,542</u>
Tax at Malaysian statutory tax rate of 25%	4,636
Different tax rates in other countries	580
Adjustments:	
Share of results of associates	(80)
Share of results of jointly controlled entities	167
Tax effect on non-taxable revenue	(3,782)
Tax effect on non-deductible expenses	2,457
Tax effect on withholding tax in foreign subsidiaries	595
Utilisation of deferred tax assets not recognised in prior years	(1)
Deferred tax assets not recognised during the year	82
Over provision in prior year	
- income tax	(254)
Income tax expense recognised in profit or loss	<u><u>4,400</u></u>

## B.6 Status of Corporate Proposals

On 8 November 2011, ILB had completed the transaction pursuant to the Sale and Purchase Agreement dated 5 August 2011 entered through Integrated Logistics Solutions Sdn Bhd and Integrated Warehouse Sdn Bhd (both were formerly wholly-owned subsidiaries of ILB) with Tanjung Balai Holdings Sdn Bhd for the disposal of the freehold vacant industrial land held under Geran No. 298954, Lot 122410, Pekan Hicom, Daerah Petaling, Negeri Selangor.

## B.7 Group Borrowings and Debt Securities

### a. Short term borrowings

	<b>As at 31.12.11 RM'000</b>	<b>As at 31.12.10 RM'000</b>
<b>Secured :-</b>		
Hire purchase payable	-	159
Portion of term loans payable within 12 months	<u>37,829</u>	<u>32,368</u>
	<b>37,829</b>	<b>32,527</b>
<b>Unsecured :-</b>		
Term loan	-	-
Revolving Credit	-	20,000
	<u>37,829</u>	<u>52,527</u>

### b. Long term borrowings

	<b>As at 31.12.11 RM'000</b>	<b>As at 31.12.10 RM'000</b>
<b>Secured :-</b>		
Hire purchase payable	-	242
Portion of term loans payable after 12 months	<u>58,033</u>	<u>64,686</u>
	<b>58,033</b>	<b>64,928</b>
<b>Unsecured :-</b>		
Loan from a non-controlling shareholder	52,388	42,727
	<u>110,421</u>	<u>107,655</u>

## B.7 Group Borrowings and Debt Securities (cont'd)

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

	As at 31.12.11	As at 31.12.10
	RM'000	RM'000
(i) In Chinese Renminbi		
Portion of term loans payable within 12 months	17,351	32,368
Portion of term loans payable after 12 months	7,011	64,686
(ii) In US Dollars		
Portion of term loans payable within 12 months	20,478	-
Portion of term loans payable after 12 months	51,022	-
(ii) In Hong Kong Dollars		
Loan from a non-controlling shareholder	52,388	42,727

## B.8 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.9 Material Litigation

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

## B.10 Dividend Payable

Subject to shareholders' approval at the forthcoming Annual General Meeting, a first & final dividend in respect of the financial year ended 31 December 2011 has been recommended, with details as follows:-

- A first and final dividend of 5% gross less 25% tax;
- In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at book closure.

The entitlement and payment date in respect of these proposed dividend will be on 4 April 2012 and 20 April 2012.

## B.11 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative Quarters	
	3 months ended	31.12.10	12 months ended	31.12.10
	31.12.11	(Restated)	31.12.11	(Restated)
Profit attributable to owners of the Parent (RM'000)	6,578	11,721	12,337	18,668
Weighted average number of ordinary shares for basic EPS ('000)	178,583	187,737	182,752	190,298
Weighted average number of ordinary shares for diluted EPS ('000)	178,583	187,737	182,752	190,298
<b>Basic EPS (sen)</b>	<b>3.7</b>	<b>6.2</b>	<b>6.8</b>	<b>9.8</b>
<b>Diluted EPS (sen)</b>	<b>3.7</b>	<b>6.2</b>	<b>6.8</b>	<b>9.8</b>



**B.12 Realised and Unrealised Profits/(Losses) Disclosure**

	<b>As at 31.12.11</b>	<b>As at 31.12.10</b>
	<b>RM'000</b>	<b>RM'000</b>
		(Restated)
Total retained earnings of the Company and its subsidiaries		
- Realised	71,747	69,000
- Unrealised	9	1,230
	<u>71,756</u>	<u>70,230</u>
Total share of retained earnings from associates		
- Realised	9,406	5,343
- Unrealised	-	-
	<u>9,406</u>	<u>5,343</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(2,626)	(1,684)
- Unrealised	-	-
	<u>(2,626)</u>	<u>(1,684)</u>
Less : Consolidation adjustments	<u>6,542</u>	<u>11,531</u>
Total retained earnings of the Group	<u><b>85,078</b></u>	<u><b>85,420</b></u>

**B.13 Profit Before Tax**

The following items have been included in arriving at profit before tax from continuing operations:-

	<b>Current financial quarter</b>	<b>Current financial year-to-date</b>
	<b>ended 31.12.11</b>	<b>ended 31.12.11</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment	2,159	7,651
Amortisation of land use rights	536	2,306
Auditors' remuneration	99	182
Directors' remuneration		
- Directors of the Company		
- fees	114	216
- other emoluments	1,064	3,235
- retirement gratuity	-	1,350
- Directors of subsidiaries		
- fees	-	40
Impairment loss of investment in associate	947	947
Gain on disposal of property, plant and equipment	(8,864)	(8,892)
Gain on disposal of investment in subsidiaries	(3)	(4,214)
Loss on disposal of investment in an associate	793	793
Property, plant and equipment written off	9	9
Reversal for employee benefits	(36)	(36)
Rental of land and buildings	6,154	22,279
Rental of equipment	4	15
Reversal of allowance for doubtful debts	-	(53)
Waiver of debts by an associate	(211)	(211)
Waiver of debts by creditors	(21)	(21)
Staff costs		
- Contribution to defined contribution plan	49	156
- Salaries and others	10,421	36,216
Provision for land penalty	3,491	3,491
Government grant income	(36)	(36)
Interest expense	1,113	3,995
Gain on realised foreign exchange	(663)	(3,067)
Gain on unrealised foreign exchange	(295)	(32)
Interest revenue	<u>(443)</u>	<u>(1,510)</u>

#### B.14 Prior Year Adjustments

- a. In the prior year, the group had erroneously included dividend payable to a minority shareholder in non-controlling interests. Prior year adjustments relating to this incorrect presentation in the consolidated statement of financial position are as follows:-

	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
<u>As of 1 January 2010</u>			
Non-controlling interests	70,510	(9,976)	60,534
Dividend payable to non-controlling interests	-	9,976	9,976
<u>As of 31 December 2010</u>			
Non-controlling interests	68,019	(9,193)	58,826
Dividend payable to non-controlling interests	-	9,193	9,193

- b. In addition, the group had erroneously recognised government grants received in advance as other revenue in 2010. Prior year adjustments relating to this incorrect accounting treatment are as follows:-

	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
<u>Consolidated Income Statement for 2010</u>			
Other income	13,549	(1,828)	11,721
Loss for the year	(981)	(1,828)	(2,809)
<u>Consolidated Statement of Financial Position</u>			
Reserves	177,311	(1,753)	175,558
Government grant received in advance	-	1,753	1,753

#### B.15 Comparative Figures

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

#### By Order of the Board

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

Selangor  
29 February 2012