

INTEGRATED LOGISTICS BERHAD (229690 K)
Unaudited Report for Third Quarter ended 30 September 2012



CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Revenue	33,983	36,165	104,392	98,297
Operating costs	(33,369)	(33,489)	(100,212)	(92,532)
Other income	7,938	5,625	9,273	7,875
Profit from operations	8,552	8,301	13,453	13,640
Finance costs	(1,040)	(898)	(3,407)	(2,882)
Share of results of				
Associates	677	191	1,501	682
Jointly controlled entities	(499)	(209)	(1,465)	(531)
Profit before tax	7,690	7,385	10,082	10,909
Income tax expense	(1,955)	(1,439)	(4,062)	(2,531)
Profit for the financial period	<u>5,735</u>	<u>5,946</u>	<u>6,020</u>	<u>8,378</u>
Attributable to:				
Owners of the Parent	4,313	3,992	4,295	5,759
Non-controlling interests	1,422	1,954	1,725	2,619
Profit for the financial period	<u>5,735</u>	<u>5,946</u>	<u>6,020</u>	<u>8,378</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	5,735	5,946	6,020	8,378
Other comprehensive income, net of tax				
Foreign currency translation differences of foreign operations	(18,510)	25,847	(17,825)	23,808
Changes in fair value of available-for-sale financial assets	(30)	(239)	(317)	23
Other comprehensive income for the financial period, net of tax	(18,540)	25,608	(18,142)	23,831
Total comprehensive income for the financial period	<u>(12,805)</u>	<u>31,554</u>	<u>(12,122)</u>	<u>32,209</u>
Total comprehensive income attributable to:				
Owners of the Parent	(7,988)	24,106	(7,416)	23,676
Non-controlling interests	(4,817)	7,448	(4,706)	8,533
Total comprehensive income for the financial period	<u>(12,805)</u>	<u>31,554</u>	<u>(12,122)</u>	<u>32,209</u>
Earnings per share (sen)				
- Basic	<u>2.5</u>	<u>2.2</u>	<u>2.4</u>	<u>3.1</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.12 RM'000	As at 31.12.11 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	238,526	249,911
Land use rights	70,619	109,193
Capital work-in-progress	16,037	908
Interest in associates	72,785	61,748
Interest in jointly controlled entities	45,478	48,567
Available-for-sale financial assets	1,322	1,325
Amount owing by a jointly controlled entity	25,916	12,973
	470,683	484,625
Current assets		
Trade receivables	29,436	33,910
Other receivables, deposits and prepayments	18,434	19,763
Tax assets	528	736
Cash & cash equivalents	79,482	105,907
	127,880	160,316
TOTAL ASSETS	598,563	644,941
EQUITY AND LIABILITIES		
Equity		
Share capital	178,026	197,026
Reserves	184,822	196,376
Treasury shares	(3,820)	(16,325)
Total equity attributable to owners of the Parent	359,028	377,077
Non-controlling interests	71,004	71,436
Total equity	430,032	448,513
Non-current liabilities		
Long term borrowings	90,173	110,421
Government grant received in advance	5,915	1,772
Deferred tax liabilities	13,357	14,005
	109,445	126,198
Current liabilities		
Trade payables	4,693	4,260
Other payables, deposits and accruals	22,722	26,204
Short term borrowings	29,620	37,829
Tax payable	2,051	1,937
	59,086	70,230
Total Liabilities	168,531	196,428
TOTAL EQUITY AND LIABILITIES	598,563	644,941

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	30.09.12	30.09.11
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,082	10,909
Adjustments for :-		
Depreciation of property, plant and equipment	7,004	5,492
Amortisation of land use rights	2,348	1,770
Loss/(Gain) on disposal of property, plant and equipment	186	(28)
Gain on disposal of investment in a subsidiary	(2,936)	(4,211)
Reversal for doubtful debts	-	(53)
Bad debts written off	151	-
Deposit written off	5	-
Share of profits of associates	(1,501)	(682)
Share of losses of jointly controlled entities	1,465	531
Unrealised losses on foreign exchange	13	263
Reversal of provision for land penalty	(3,556)	-
Government grant income	(237)	-
Interest revenue	(1,663)	(1,067)
Interest expenses	3,407	2,882
Operating Profit Before Working Capital Changes	<u>14,768</u>	<u>15,806</u>
Decrease/(Increase) in trade and other receivables	5,646	(6,636)
Increase in trade and other payables	441	1,413
Cash Generated From Operations	<u>20,855</u>	<u>10,583</u>
Government grant received	4,504	-
Interest paid	(3,403)	(2,771)
Tax paid	(3,891)	(3,683)
Tax refund	-	775
Net Cash Generated From Operating Activities	<u>18,065</u>	<u>4,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in an associate	(11,104)	-
Capital repayments from an associate	-	19
Acquisition of other investment	(350)	-
Capital work-in-progress incurred	(15,308)	(15,803)
Capital contribution from non-controlling interests	4,274	4,308
Purchase of property, plant and equipment	(4,636)	(4,344)
Proceeds from disposal of property, plant and equipment	40	29
Proceeds from disposal of a subsidiary	35,385	28,123
Advance to jointly controlled entity	(13,683)	(9,989)
Interest received	1,663	1,067
Net Cash (Used In)/From Investing Activities	<u>(3,719)</u>	<u>3,410</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(111)
Drawdown from term loan	-	28,565
Repayments of term loan	(23,558)	(29,429)
Repayments of revolving credit	-	(20,000)
Proceeds from unsecured loan	-	1,285
Repayments of unsecured loan	-	(2,457)
Repayments of hire purchase payables	-	(401)
Payment for share buy-back	(3,972)	(7,396)
Dividend paid	(6,661)	(11,842)
Net Cash Used In Financing Activities	<u>(34,191)</u>	<u>(41,786)</u>
	<u>(19,845)</u>	<u>(33,472)</u>
Foreign exchange translation differences	(6,580)	2,532
Net decrease in cash and cash equivalents	<u>(26,425)</u>	<u>(30,940)</u>
Cash and cash equivalents at beginning of the financial period	<u>105,907</u>	<u>128,813</u>
Cash and cash equivalents at end of the financial period	<u>79,482</u>	<u>97,873</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----							Distributable				
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Capital redemption reserve 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	Non-controlling interests RM'000	Total equity RM'000
9 months ended 30 September 2012												
At 01.01.12	197,026	(16,325)	44,086	-	38,262	13,196	298	14,793	85,741	377,077	71,436	448,513
Comprehensive income												
Profit for the financial period	-	-	-	-	-	-	-	-	4,295	4,295	1,725	6,020
Other comprehensive income												
Foreign currency translation differences	-	-	-	-	-	(11,104)	-	(384)	-	(11,488)	(6,337)	(17,825)
Fair value of available-for-sale financial assets	-	-	-	-	-	-	(223)	-	-	(223)	(94)	(317)
Total other comprehensive income for the financial period	-	-	-	-	-	(11,104)	(223)	(384)	-	(11,711)	(6,431)	(18,142)
Total comprehensive income for the financial period	-	-	-	-	-	(11,104)	(223)	(384)	4,295	(7,416)	(4,706)	(12,122)
Transactions with owners												
Transfer	-	-	-	-	-	(10,271)	-	(5,112)	15,383	-	-	-
Purchase of treasury shares	-	(3,972)	-	-	-	-	-	-	-	(3,972)	-	(3,972)
Cancellation of treasury shares	(19,000)	16,477	(16,477)	19,000	-	-	-	-	-	-	-	-
Final dividend of 5.0% per share less 25% in respect of the financial year ended 31.12.2011	-	-	-	-	-	-	-	-	(6,661)	(6,661)	-	(6,661)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	4,274	4,274
Total transactions with owners	(19,000)	12,505	(16,477)	19,000	-	(10,271)	-	(5,112)	8,722	(10,633)	4,274	(6,359)
At 30.09.12	178,026	(3,820)	27,609	19,000	38,262	(8,179)	75	9,297	98,758	359,028	71,004	430,032
9 months ended 30 September 2011												
At 01.01.11	197,026	(8,486)	44,086	-	38,689	(5,970)	232	13,101	85,420	364,098	58,826	422,924
Comprehensive income												
Profit for the financial period	-	-	-	-	-	-	-	-	5,759	5,759	2,619	8,378
Other comprehensive income												
Foreign currency translation differences	-	-	-	-	-	17,453	-	429	-	17,882	5,926	23,808
Fair value of available-for-sale financial assets	-	-	-	-	-	-	35	-	-	35	(12)	23
Total other comprehensive income for the financial period	-	-	-	-	-	17,453	35	429	-	17,917	5,914	23,831
Total comprehensive income for the financial period	-	-	-	-	-	17,453	35	429	5,759	23,676	8,533	32,209
Transactions with owners												
Purchase of treasury shares	-	(7,396)	-	-	-	-	-	-	-	(7,396)	-	(7,396)
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 interests	-	-	-	-	-	-	-	-	-	-	4,308	4,308
Total transactions with owners	-	(7,396)	-	-	-	-	-	-	(11,842)	(19,238)	4,308	(14,930)
At 30.09.11	197,026	(15,882)	44,086	-	38,689	11,483	267	13,530	79,337	368,536	71,667	440,203

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (MFRS) 134

A.1 Accounting Policies

This condensed consolidated interim financial statements (Condensed Report) has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). For the periods up to and including the financial year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

This Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At the transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. There is no any financial impact on the Group on transition to MFRSs.

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

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

The directors expect that the adoption of the new and revised MFRSs, Amendments to FRSs and IC Interpretation above will have no any 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 2,642,900 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM0.931 per share. The total consideration paid for the share buy-back was RM2,460,407 and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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 30 September 2012, the balance number of shares still held as treasury shares by the Company was 4,278,700.

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 5.0% per share less 25% income tax amounting to RM6,660,510 in respect of the financial year ended 31 December 2011 was paid on 20 April 2012.

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

	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Freight forwarding RM'000	Consolidated RM'000
3 months ended 30.09.2012				
External revenue	28,722	5,137	124	33,983
Segment profit	1,057	309	9	1,375
3 months ended 30.09.2011				
External revenue	29,453	6,271	441	36,165
Segment profit	3,349	520	97	3,966
	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Freight forwarding RM'000	Consolidated RM'000
9 months ended 30.09.2012				
External revenue	86,972	16,742	678	104,392
Segment profit	4,044	825	104	4,973
9 months ended 30.09.2011				
External revenue	80,851	16,512	934	98,297
Segment profit	7,307	1,403	159	8,869

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

Reconciliation of reportable segment profit	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Total profit from reportable segments	1,375	3,966	4,973	8,869
Other non-reportable segments	6,137	3,437	5,073	1,889
Share of results of associates	677	191	1,501	682
Share of results of jointly controlled entities	(499)	(209)	(1,465)	(531)
Consolidated profit before tax	<u>7,690</u>	<u>7,385</u>	<u>10,082</u>	<u>10,909</u>

b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
The People's Republic of China (incl. Hong Kong)	<u>33,983</u>	<u>36,165</u>	<u>104,392</u>	<u>98,297</u>
	<u>33,983</u>	<u>36,165</u>	<u>104,392</u>	<u>98,297</u>

Profit / (Losses) before tax	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Malaysia	(608)	(683)	(1,467)	(2,172)
The People's Republic of China (incl. Hong Kong)	8,797	8,218	13,014	13,434
United Arab Emirates	(499)	(150)	(1,465)	(353)
	<u>7,690</u>	<u>7,385</u>	<u>10,082</u>	<u>10,909</u>

A.9 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.10 Material Subsequent Events

There is no material event subsequent to the end of the period under review.

A.11 Changes in The Composition of the Group

On 8 February 2012, Integrated Logistics (HK) Limited ("ILHK"), an indirect subsidiary in which ILB has 70% effective equity interest, has subscribed 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 had changed from 25.42% to 25.80%.

On 23 August 2012, Integrated Logistics (HK) Limited and ISH Group (BVI) Limited, indirect subsidiaries in which ILB has 70% effective equity interest, had completed the share sale in relation to the Share Transfer Agreement dated 5 June 2012 entered with On Yip Property (Group) Limited for the sale of 100% equity interest in ISH Logistics (Shenzhen) Limited ("ISH HK"). ISH HK is an investment holding company which owns 100% equity stake in ISH Logistics Yantian (Shenzhen) Co. Limited ("ISH Yantian") and Integrated Shun Hing Logistics (Shenzhen) Co. Limited ("ISH Shenzhen"). ISH Yantian owns the land use rights of a piece of development land located at Yantian Port Free Trade Zone, Shenzhen, The People's Republic of China. ISH Shenzhen which is to be excluded from the share sale, has been transferred to ISH Cargo Services (HK) Co. Limited, an indirect 70% subsidiary of ILB.

A.12 Contingent Liabilities and Contingent Assets

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

A.13 Capital Commitment

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM5.7 million in respect of the construction of warehouse buildings.

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 And Preceding Financial Year's Results

For the current financial period ended 30 September 2012, the Group posted a revenue of RM104.4 million which was 6.2% higher than the revenue of RM98.3 million for the corresponding period in the preceding year. The higher revenue was mainly due to additional revenue from warehousing & related value added services segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM10.1 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM10.9 million. The decrease in pre-tax profit of RM0.8 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of a subsidiary, ISH Logistics (Shenzhen) Limited	2.9
Reversal of provision for land penalty in prior year	3.6
Gain on disposal of a subsidiary, Integrated Shun Hing Logistics (Lingang) Co.Limited, in prior year	(4.2)
Increase in operating costs mainly labour costs	(2.3)
Increase in finance costs	(0.6)
Increase in profit from Associate	0.8
ii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity due to higher pre-commencement operating costs	(1.0)
	<u>(0.8)</u>

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

For the current quarter ended 30 September 2012, the Group posted a revenue of RM34.0 million which was 6.1% lower than the revenue of RM36.2 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue reduction from warehousing & related value added services, and the transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM7.7 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM7.4 million. The increase in pre-tax profit of RM0.3 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of a subsidiary, ISH Logistics (Shenzhen) Limited	2.9
Reversal of provision for land penalty in prior year	3.6
Gain on disposal of a subsidiary, Integrated Shun Hing Logistics (Lingang) Co.Limited, in prior year	(4.2)
Increase in operating costs mainly labour costs	(2.1)
Increase in finance costs	(0.1)
Increase in profit from Associate	0.5
ii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity due to higher pre-commencement operating costs	(0.3)
	<u>0.3</u>

B.2 Comparison With Immediate Preceding Quarter's Results

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 6.1% from RM36.2 million to RM34.0 million.

The Group recorded a pre-tax profit of RM7.7 million for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM0.5 million. The increase in pre-tax profit of RM7.2 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of a subsidiary, ISH Logistics (Shenzhen) Limited	2.9
Reversal of provision for land penalty in prior year	3.6
Increase in other income mainly government grant income	0.7
Increase in operating costs	(0.6)
Increase in profit from Associate	0.7
ii) <u>Malaysia</u>	
Increase in other income	0.3
Increase in losses from Associate	(0.4)
	<u>7.2</u>

B.3 Prospects

In view of the current global economic conditions, the Board foresees the market conditions in The People's Republic of China will continue to remain challenging for the rest of the year. While measures continue to be taken to ensure the sustainability of the Group's revenue & operations, the challenging environment is expected to have an impact on the Group's performance for the current financial year.

B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

B.5 Income Tax Expense

	Current financial quarter ended 30.09.2012	Current financial year-to-date ended 30.09.2012
Taxation comprises :-	RM'000	RM'000
Current taxation	1,955	4,062
Deferred taxation	-	-
Tax expense for the financial period	<u>1,955</u>	<u>4,062</u>

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 financial period ended 30 September 2012 is as follows:-

	Current financial quarter ended 30.09.2012	Current financial year-to-date ended 30.09.2012
	RM'000	RM'000
Profit before tax	<u>7,690</u>	<u>10,082</u>
Tax at Malaysian statutory tax rate of 25%	1,923	2,521
Different tax rates in other countries	231	1,135
Adjustments:		
Share of results of associates	63	12
Share of results of jointly controlled entities	125	366
Tax effect on non-taxable revenue	(1,886)	(2,766)
Tax effect on non-deductible expenses	635	1,935
Tax effect on withholding tax in foreign subsidiaries	598	673
Deferred tax assets not recognised during the year	47	(33)
Under provision in prior year		
- income tax	219	219
Income tax expense recognised in profit or loss	<u>1,955</u>	<u>4,062</u>

B.6 Status of Corporate Proposals

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

B.7 Group Borrowings and Debt Securities

	As at 30.09.2012 RM'000	As at 30.09.2011 RM'000
a. Short term borrowings		
Secured :-		
Portion of term loans payable within 12 months	<u>29,620</u>	<u>25,776</u>
	<u>29,620</u>	<u>25,776</u>
b. Long term borrowings		
Secured :-		
Portion of term loans payable after 12 months	<u>39,435</u>	<u>75,183</u>
	<u>39,435</u>	<u>75,183</u>
Unsecured :-		
Loan from a non-controlling shareholder	<u>50,738</u>	<u>52,452</u>
	<u>90,173</u>	<u>127,635</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 30.09.2012	As at 30.09.2011
(i) In Chinese Renminbi	RM'000	RM'000
Portion of term loans payable within 12 months	16,715	7,230
Portion of term loans payable after 12 months	1,506	18,828
	<u>18,221</u>	<u>26,058</u>
(ii) In US Dollars		
Portion of term loans payable within 12 months	12,905	18,546
Portion of term loans payable after 12 months	37,929	56,355
	<u>50,834</u>	<u>74,901</u>
(ii) In Hong Kong Dollars		
Loan from a non-controlling shareholder	<u>50,738</u>	<u>52,452</u>

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

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

B.11 Earnings Per Share ("EPS")

	Individual Quarter		Cumulative Quarters	
	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Profit attributable to owners of the Parent (RM'000)	4,313	3,992	4,295	5,759
Weighted average number of ordinary shares for basic EPS ('000)	175,664	181,207	176,844	184,157
Basic EPS (sen)	<u>2.5</u>	<u>2.2</u>	<u>2.4</u>	<u>3.1</u>

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

	As at 30.09.2012	As at 31.12.2011
Total retained earnings of the Company and its subsidiaries	RM'000	RM'000
- Realised	72,529	72,410
- Unrealised	(36)	9
	<u>72,493</u>	<u>72,419</u>
 Total share of retained earnings from associates		
- Realised	10,908	9,406
- Unrealised	-	-
	<u>10,908</u>	<u>9,406</u>
 Total share of accumulated losses from jointly controlled entities		
- Realised	(4,090)	(2,626)
- Unrealised	-	-
	<u>(4,090)</u>	<u>(2,626)</u>
 Less : Consolidation adjustments	<u>19,447</u>	<u>6,542</u>
 Total retained earnings of the Group	<u><u>98,758</u></u>	<u><u>85,741</u></u>

B.13 Profit Before Tax

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

	Current financial quarter ended 30.09.2012	Current financial year-to-date ended 30.09.2012
	RM'000	RM'000
Depreciation of property, plant and equipment	2,185	7,004
Amortisation of land use rights	1,280	2,348
Auditors' remuneration	39	145
Directors' remuneration		
- fees	54	162
- other emoluments	731	2,258
Loss on disposal of property, plant and equipment	186	186
Gain on disposal of investment in a subsidiary	(2,936)	(2,936)
Property, plant and equipment written off	(230)	-
Deposit written off	-	5
Bad debts written off	77	151
Rental of land and buildings	6,114	17,493
Rental of equipment	4	10
Staff costs		
- Contribution to defined contribution plan	9	27
- Salaries and others	7,329	25,642
Reversal of provision for land penalty	(3,556)	(3,556)
Government grant income	(136)	(237)
Interest expense	1,040	3,407
Loss on realised foreign exchange	21	70
Loss on unrealised foreign exchange	25	13
Interest revenue	<u>(709)</u>	<u>(1,663)</u>

B.14 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
6 November 2012