



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Continuing operations				
Revenue	10,345	10,574	19,849	19,329
Operating costs	(10,217)	(10,611)	(19,418)	(20,078)
Other income	848	519	1,664	944
	<hr/>	<hr/>	<hr/>	<hr/>
Profit from operations	976	482	2,095	195
Finance costs	(355)	(432)	(722)	(891)
Share of results of				
Associates	34	389	222	824
Jointly controlled entity	(2,760)	(595)	(5,697)	(966)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss before tax	(2,105)	(156)	(4,102)	(838)
Tax expense	(154)	(198)	(239)	(353)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss from continuing operations	(2,259)	(354)	(4,341)	(1,191)
Discontinued operations				
Profit/(loss) from discontinued operations, net of tax	1,014	(2)	1,008	1,476
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit for the financial period	(1,245)	(356)	(3,333)	285
Attributable to:				
Owners of the parent				
- From continuing operations	(2,462)	(347)	(4,856)	(982)
- From discontinued operations	774	(40)	842	964
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,688)	(387)	(4,014)	(18)
Non-controlling interests	443	31	681	303
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit for the financial period	(1,245)	(356)	(3,333)	285

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 2012.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(1,245)	(356)	(3,333)	285
Other comprehensive income, net of tax				
Foreign currency translation differences	12,912	13,927	18,152	685
Fair value adjustment of available-for-sale financial assets	3	(257)	13	(287)
	<u>12,915</u>	<u>13,670</u>	<u>18,165</u>	<u>398</u>
Other comprehensive income for the financial period, net of tax	12,915	13,670	18,165	398
Total comprehensive income for the financial period	<u>11,670</u>	<u>13,314</u>	<u>14,832</u>	<u>683</u>
Total comprehensive income attributable to:				
Owners of the parent	8,202	11,049	9,972	572
Non-controlling interests	3,468	2,265	4,860	111
Total comprehensive income for the financial period	<u>11,670</u>	<u>13,314</u>	<u>14,832</u>	<u>683</u>
Basic (loss)/earnings per share attributable to owners of the parent (sen)				
- From continuing operations	(1.5)	(0.2)	(2.9)	(0.5)
- From discontinued operations	0.5	(0.0)	0.5	0.5
	<u>(1.0)</u>	<u>(0.2)</u>	<u>(2.4)</u>	<u>(0.0)</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 2012.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.13 RM'000	As at 31.12.12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	54,690	267,778
Land use rights	14,608	70,309
Capital work-in-progress	-	18,168
Interest in associates	73,828	71,680
Interest in jointly controlled entities	37,912	42,193
Available-for-sale financial assets	1,535	1,485
Amount owing by a jointly controlled entity	34,420	29,974
	216,993	501,587
Current assets		
Trade receivables	10,754	35,659
Other receivables, deposits and prepayments	6,958	17,342
Amount owing by a jointly controlled entity	5,163	-
Tax assets	458	453
Cash & cash equivalents	75,208	47,211
	98,541	100,665
Assets of disposal group classified as held for sale	348,207	-
	446,748	100,665
TOTAL ASSETS	663,741	602,252
EQUITY AND LIABILITIES		
Equity		
Share capital	178,026	178,026
Reserves	197,785	187,813
Treasury shares	(12,969)	(11,413)
Total equity attributable to owners of the parent	362,842	354,426
Non-controlling interests	82,057	77,197
Total equity	444,899	431,623
Non-current liabilities		
Long term borrowings	38,121	69,860
Government grant received in advance	-	6,032
Deferred tax liabilities	207	24,348
	38,328	100,240
Current liabilities		
Trade payables	2,523	5,738
Other payables, deposits and accruals	60,180	25,569
Short term borrowings	18,960	37,092
Taxation	1,113	1,990
	82,776	70,389
Liabilities of disposal group classified as held for sale	97,738	-
	180,514	70,389
	218,842	170,629
	663,741	602,252

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 2012.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	30.06.13	30.06.12
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(4,102)	(838)
Profit before tax from discontinued operation	2,350	3,230
(Loss)/Profit before tax, total	<u>(1,752)</u>	<u>2,392</u>
Adjustments for :-		
Depreciation of property, plant and equipment	4,822	4,819
Amortisation of land use rights	668	1,068
Gain on disposal of property, plant and equipment	(76)	-
Property, plant and equipment written off	7	230
Deposit written off	-	5
Share of profits of associates	(222)	(824)
Share of losses of jointly controlled entities	5,697	966
Unrealised gain on foreign exchange	(6)	(12)
Government grant income	(65)	(101)
Interest revenue	(755)	(954)
Interest expense	1,619	2,367
Operating Profit Before Working Capital Changes	<u>9,937</u>	<u>9,956</u>
Decrease in trade and other receivables	7,815	1,920
Increase in trade and other payables	48,842	1,022
Cash Generated From Operations	<u>66,594</u>	<u>12,898</u>
Government grant received	-	1,973
Interest paid	(1,638)	(2,366)
Tax paid	(1,951)	(3,044)
Tax refund	33	-
Net Cash From Operating Activities	63,038	9,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in an associate	-	(11,530)
Acquisition of other investment	-	(350)
Capital work-in-progress incurred	(5,231)	(11,113)
Capital contribution from non-controlling shareholder	-	4,438
Purchase of property, plant and equipment	(346)	(523)
Proceeds from disposal of property, plant and equipment	114	-
Advances to a jointly controlled entity	(8,419)	(7,751)
Interest received	755	954
Net Cash Used In Investing Activities	(13,127)	(25,875)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans	7,682	-
Repayments of term loans	(10,296)	(13,949)
Repayments of unsecured loan to a non-controlling shareholder	(2,444)	-
Treasury shares repurchased	(1,556)	(1,512)
Dividend paid	-	(6,661)
Net Cash Used In Financing Activities	(6,614)	(22,122)
	<u>43,297</u>	<u>(38,536)</u>
Effects of exchange rate changes on cash and cash equivalents	1,875	421
Net change in cash and cash equivalents	45,172	(38,115)
Cash and cash equivalents at beginning of the financial period	47,211	105,907
Cash and cash equivalents at end of the financial period	92,383	67,792

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 2012.

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
6 months ended 30 June 2013												
At 01.01.13	178,026	(11,413)	27,609	19,000	52,474	(433)	234	15,375	73,554	354,426	77,197	431,623
Comprehensive income												
(Loss)/Profit for the financial period	-	-	-	-	-	-	-	-	(4,014)	(4,014)	681	(3,333)
Other comprehensive income												
Foreign currency translation differences	-	-	-	-	-	13,474	-	503	-	13,977	4,175	18,152
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	9	-	-	9	4	13
Total other comprehensive income for the financial period	-	-	-	-	-	13,474	9	503	-	13,986	4,179	18,165
Total comprehensive income for the financial period	-	-	-	-	-	13,474	9	503	(4,014)	9,972	4,860	14,832
Transactions with owners												
Purchase of treasury shares	-	(1,556)	-	-	-	-	-	-	-	(1,556)	-	(1,556)
Total transactions with owners	-	(1,556)	-	-	-	-	-	-	-	(1,556)	-	(1,556)
At 30.06.13	178,026	(12,969)	27,609	19,000	52,474	13,041	243	15,878	69,540	362,842	82,057	444,899
6 months ended 30 June 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												
(Loss)/Profit for the financial period	-	-	-	-	-	-	-	-	(18)	(18)	303	285
Other comprehensive income												
Foreign currency translation differences	-	-	-	-	-	707	-	84	-	791	(106)	685
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	(201)	-	-	(201)	(86)	(287)
Total other comprehensive income for the financial period	-	-	-	-	-	707	(201)	84	-	590	(192)	398
Total comprehensive income for the financial period	-	-	-	-	-	707	(201)	84	(18)	572	111	683
Transactions with owners												
Purchase of treasury shares	-	(1,512)	-	-	-	-	-	-	-	(1,512)	-	(1,512)
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 shareholder	-	-	-	-	-	-	-	-	-	-	4,438	4,438
Total transactions with owners	(19,000)	14,965	(16,477)	19,000	-	-	-	-	(6,661)	(8,173)	4,438	(3,735)
At 30.06.12	178,026	(1,360)	27,609	19,000	38,262	13,903	97	14,877	79,062	369,476	75,985	445,461

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 2012.

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) are unaudited and 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) and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2012.

The accounting policies and methods of computation adopted in this Condensed Report are consistent with those adopted in the Group's annual audited financial statements for the financial year ended 31 December 2012 except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations that are effective from 1 January 2013:

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance
Amendments to MFRSs	Annual Improvements 2009-2011 Cycle
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 2	Annual Improvements 2009-2011 Cycle

The following new MFRS and Amendments to MFRS 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 10, MFRS 11 and MFRS 12	Investment Entities	1 January 2014
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 MFRSs, Amendments to MFRSs 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 1,000,000 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM0.963 per share. The total consideration paid for the share buy-back was RM963,368 and was financed by internally generated funds. As at 30 June 2013, a total of 13,322,000 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

There was no dividend paid during the current financial quarter under review.

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	Transportation & distribution	Freight forwarding	Consolidated
	RM'000	RM'000	RM'000	RM'000
3 months ended 30.06.2013				
External revenue				
- From continuing operations	7,236	3,056	53	10,345
- From discontinued operations	22,526	1,374	45	23,945
	<u>29,762</u>	<u>4,430</u>	<u>98</u>	<u>34,290</u>
Segment profit/(loss)				
- From continuing operations	1,341	(22)	9	1,328
- From discontinued operations	1,704	29	-	1,733
	<u>3,045</u>	<u>7</u>	<u>9</u>	<u>3,061</u>
3 months ended 30.06.2012				
External revenue				
- From continuing operations	7,164	3,145	265	10,574
- From discontinued operations	22,840	2,796	22	25,658
	<u>30,004</u>	<u>5,941</u>	<u>287</u>	<u>36,232</u>
Segment profit/(loss)				
- From continuing operations	798	(288)	38	548
- From discontinued operations	253	446	(2)	697
	<u>1,051</u>	<u>158</u>	<u>36</u>	<u>1,245</u>

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Freight forwarding RM'000	Consolidated RM'000
6 months ended 30.06.2013				
External revenue				
- From continuing operations	13,730	5,970	149	19,849
- From discontinued operations	44,372	2,851	70	47,293
	<u>58,102</u>	<u>8,821</u>	<u>219</u>	<u>67,142</u>
Segment profit				
- From continuing operations	2,580	117	15	2,712
- From discontinued operations	2,087	263	-	2,350
	<u>4,667</u>	<u>380</u>	<u>15</u>	<u>5,062</u>
6 months ended 30.06.2012				
External revenue				
- From continuing operations	13,036	5,820	473	19,329
- From discontinued operations	45,214	5,785	81	51,080
	<u>58,250</u>	<u>11,605</u>	<u>554</u>	<u>70,409</u>
Segment profit/(loss)				
- From continuing operations	891	(618)	95	368
- From discontinued operations	2,096	1,134	-	3,230
	<u>2,987</u>	<u>516</u>	<u>95</u>	<u>3,598</u>
Reconciliation of reportable segment profit				
	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Total profit from reportable segments				
- From continuing operations	1,328	548	2,712	368
- From discontinued operations	1,733	697	2,350	3,230
Other non-reportable segments	(707)	(498)	(1,339)	(1,064)
Share of results of associates	34	389	222	824
Share of results of jointly controlled entities	(2,760)	(595)	(5,697)	(966)
Consolidated (loss)/profit before tax	<u>(372)</u>	<u>541</u>	<u>(1,752)</u>	<u>2,392</u>

b. By Geographical Location

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
External revenue				
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	10,345	10,574	19,849	19,329
- From discontinued operations	23,945	25,658	47,293	51,080
	<u>34,290</u>	<u>36,232</u>	<u>67,142</u>	<u>70,409</u>
(Loss)/Profit before tax				
Malaysia	(701)	(374)	(1,312)	(859)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	1,356	813	2,907	987
- From discontinued operations	1,733	697	2,350	3,230
United Arab Emirates	(2,760)	(595)	(5,697)	(966)
	<u>(372)</u>	<u>541</u>	<u>(1,752)</u>	<u>2,392</u>

A.9 Discontinued Operations

On 28 June 2013, Integrated Logistics (H.K.) Limited which ILB has 70% effective equity interest, has entered into a Deed of Sale and Purchase with Winfair International Holdings Limited for the disposal of 100% equity interest in ISH Logistics (Shenzhen II) Limited ("IL Shenzhen") and Integrated Logistics Henan (H.K.) Limited ("IL Henan") for a total cash consideration of RMB998.0 million.

In accordance with MFRS 5: Non-Current Assets Held For Sale and Discontinued Operations, IL Shenzhen and IL Henan are classified as disposal group held for sale/discontinued operations. The results and cash flow of the disposal group were classified as "Discontinued Operations" in the Statement of Comprehensive Income and "Disposal Group Held for Sale" in the Statement of Financial Position.

Profits attributable to the discontinued operations were as follows:-

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	23,945	25,658	47,293	51,080
Operating costs	(22,948)	(24,290)	(45,555)	(46,765)
Other income	1,213	39	1,509	391
Profit from operations	2,210	1,407	3,247	4,706
Finance costs	(477)	(710)	(897)	(1,476)
Profit before tax	1,733	697	2,350	3,230
Tax expense	(719)	(699)	(1,342)	(1,754)
Profit/(loss) for the financial period	1,014	(2)	1,008	1,476

The major classes of assets and liabilities of the disposal group held for sale as at 30 June 2013 are as follows:

Assets	RM'000
Property, plant and equipment	245,217
Land use rights	58,342
Trade receivables	21,429
Other receivables, deposits and prepayments	6,044
Cash & cash equivalents	17,175
Assets of disposal group classified as held for sale *	348,207
Liabilities	
Trade payables	2,067
Other payables, deposits and accruals	15,379
Taxation	600
Bank borrowings	48,575
Government grant received in advance	6,164
Deferred tax liabilities	24,953
Liabilities of disposal group classified as held for sale *	97,738
Net assets of disposal group held for sale	250,469

* The assets and liabilities under the disposal group do not include the inter-company debts within the Group of RM120.4 million as the amount has been eliminated at group level upon consolidation.

The cash flows attributable to the discontinued operations are as follow:

	6 months ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Operating cash flows	8,509	16,616
Investing cash flows	(199)	(456)
Financing cash flows	349	(16,874)
	8,659	(714)

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

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

A.12 Changes in The Composition of the Group

Business Protocol Sdn Bhd, a wholly-owned subsidiary of ILB has been deregistered in January 2013.

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

There is no capital commitment has been approved and contracted as at the end of the reporting quarter.

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

Continuing operations

For the current financial period ended 30 June 2013, the Group posted a revenue of RM19.8 million which was 2.6% higher than the revenue of RM19.3 million for the corresponding period in the preceding year. The higher revenue was mainly due to revenue increase from the warehousing & related value added services segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM4.1 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM0.8 million. The increase in pre-tax loss of RM3.3 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in profit generated from revenue and reduction of operating costs	2.1
Decrease in finance costs	0.2
Decrease in profit from Associate	(0.4)
ii) <u>Malaysia</u>	
Increase in other income	0.7
Increase in operating costs	(1.0)
Decrease in profit from Associate	(0.2)
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(4.7)
	<u>(3.3)</u>

Discontinued Operations

For the current financial period ended 30 June 2013, the Group posted a revenue of RM47.3 million which was 7.4% lower than the revenue of RM51.1 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue reduction from the warehousing & related value added services and transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM2.4 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM3.2 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>	
Increase in other income	1.1
Decrease in profit generated from revenue	(2.5)
Decrease in finance costs	0.6
	<u>(0.8)</u>

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

Continuing operations

For the current quarter ended 30 June 2013, the Group posted a revenue of RM10.3 million which was 2.8% lower than the revenue of RM10.6 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue reduction from the freight forwarding segments of the Group's operations in the People's Republic of China.

B.1 Review of Performance (cont'd)

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

Continuing operations (cont'd)

The Group posted a pre-tax loss of RM2.1 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM0.2 million. The increase in pre-tax loss of RM1.9 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in operating costs	0.6
Decrease in finance costs	0.1
Decrease in profit from Associate	(0.2)
ii) <u>Malaysia</u>	
Increase in other income	0.3
Increase in operating costs	(0.5)
Decrease in profit from Associate	(0.1)
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(2.1)
	<u>(1.9)</u>

Discontinued Operations

For the current financial period ended 30 June 2013, the Group posted a revenue of RM23.9 million which was 7.0% lower than the revenue of RM25.7 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue reduction from the warehousing & related value added services and transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM1.7 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM0.7 million. The increase in pre-tax profit of RM1.0 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in other income	1.2
Decrease in profit generated from revenue	(0.4)
Decrease in finance costs	0.2
	<u>1.0</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Revenue		(Loss)/Profit before tax	
	3 months ended		3 months ended	
	30.06.2013	31.03.2013	30.06.2013	31.03.2013
	RM'000	RM'000	RM'000	RM'000
- From continuing operations	10,345	9,504	(2,105)	(1,997)
- From discontinued operations	23,945	23,348	1,733	617
	<u>34,290</u>	<u>32,852</u>	<u>(372)</u>	<u>(1,380)</u>

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 4.3% from RM32.9 million to RM34.3 million. The higher revenue was mainly due to revenue increase from the warehousing & related value added services segments of the Group's operations in the People's Republic of China.

The Group recorded a pre-tax loss of RM0.4 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM1.4 million. The decrease in pre-tax loss of RM1.0 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in profit generated from revenue	0.1
Increase in other income	0.9
Decrease in profit from Associate	(0.1)
ii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	0.1
	<u>1.0</u>

B.3 Prospects

In view of the current global economic conditions, the Board foresees the market conditions 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 quarter.

B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

B.5 Tax Expense

	Current financial quarter ended 30.06.2013 RM'000	Current financial year-to-date ended 30.06.2013 RM'000
Tax expense comprises :-		
Current income tax		
- From continuing operations	154	239
- From discontinued operations	719	1,342
	<u>873</u>	<u>1,581</u>
Deferred tax	-	-
Tax expense for the financial period	<u>873</u>	<u>1,581</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 June 2013 are as follows:-

	Current financial quarter ended 30.06.2013 RM'000	Current financial year-to-date ended 30.06.2013 RM'000
Loss before tax	<u>(372)</u>	<u>(1,752)</u>
Tax at Malaysian statutory tax rate of 25%	(93)	(438)
Different tax rates in other countries	30	(39)
Adjustments:		
Share of results of associates	(2)	(7)
Share of results of jointly controlled entities	690	1,424
Tax effect on non-taxable revenue	(2,499)	(3,033)
Tax effect on non-deductible expenses	3,273	4,091
Tax effect on withholding tax in foreign subsidiaries	(34)	-
Deferred tax assets not recognised during the year	(366)	10
Utilisation of deferred tax assets not recognised in prior year	(118)	(419)
Over provision in prior year		
- income tax	<u>(8)</u>	<u>(8)</u>
Income tax expense recognised in profit or loss	<u>873</u>	<u>1,581</u>

B.6 Status of Corporate Proposals

The corporate proposal announced but not completed as at the date of this report is as follows:-

On 28 June 2013, Integrated Logistics (H.K.) Limited which ILB has 70% effective equity interest, has entered into a Deed of Sale and Purchase with Winfair International Holdings Limited for the disposal of 100% equity interest in ISH Logistics (Shenzhen II) Limited ("IL Shenzhen") and Integrated Logistics Henan (H.K.) Limited ("IL Henan") for a total cash consideration of RMB998.0 million.

B.7 Group Borrowings and Debt Securities

a. Short term borrowings	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
Secured :-		
Portion of term loans payable within 12 months		
- From continuing operations	5,846	36,135
- From discontinued operations	21,498	-
	27,344	36,135
Unsecured :-		
Loan from a non-controlling shareholder payable within 12 months		
- From continuing operations	13,114	15,704
	40,458	51,839
	40,458	51,839
b. Long term borrowings	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
Secured :-		
Portion of term loans payable after 12 months		
- From continuing operations	1,501	46,115
- From discontinued operations	27,077	-
	28,578	46,115
Unsecured :-		
Loan from a non-controlling shareholder payable after 12 months		
- From continuing operations	36,620	36,979
	65,198	83,094
	65,198	83,094
c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign currencies:-		
	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
(i) In Chinese Renminbi		
Portion of term loans payable within 12 months		
- From continuing operations	-	17,356
- From discontinued operations	13,598	-
	13,598	17,356
Portion of term loans payable after 12 months		
- From continuing operations	-	3,380
	13,598	20,736
	13,598	20,736
(ii) In US Dollars		
Portion of term loans payable within 12 months		
- From continuing operations	5,846	18,779
- From discontinued operations	7,900	-
	13,746	18,779
Portion of term loans payable after 12 months		
- From continuing operations	1,501	42,735
- From discontinued operations	27,077	-
	28,578	42,735
	42,324	61,514
	42,324	61,514
(iii) In Hong Kong Dollars		
Loan from a non-controlling shareholder payable within 12 months		
- From continuing operations	13,114	15,704
Loan from a non-controlling shareholder payable after 12 months		
- From continuing operations	36,620	36,979
	49,734	52,683
	49,734	52,683

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 is payable as at the end of the financial quarter.

B.11 (Loss)/Earnings Per Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Loss attributable to owners of the Parent (RM'000)				
- From continuing operations	(2,462)	(347)	(4,856)	(982)
- From discontinued operations	774	(40)	842	964
	<u>(1,688)</u>	<u>(387)</u>	<u>(4,014)</u>	<u>(18)</u>
Weighted average number of ordinary shares for basic EPS ('000)	164,879	177,188	165,417	177,451
Basic EPS (sen)				
- From continuing operations	(1.5)	(0.2)	(2.9)	(0.5)
- From discontinued operations	0.5	(0.0)	0.5	0.5
	<u>(1.0)</u>	<u>(0.2)</u>	<u>(2.4)</u>	<u>(0.0)</u>

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

	As at 30.06.2013	As at 30.06.2012
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	57,912	54,617
- Unrealised	<u>(1)</u>	<u>(11)</u>
	<u>57,911</u>	<u>54,606</u>
Total share of retained earnings from associates		
- Realised	13,247	12,928
- Unrealised	<u>(3,016)</u>	<u>(2,698)</u>
	<u>10,231</u>	<u>10,230</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(13,107)	(3,592)
- Unrealised	<u>-</u>	<u>-</u>
	<u>(13,107)</u>	<u>(3,592)</u>
Less : Consolidation adjustments	<u>14,505</u>	<u>17,818</u>
Total retained earnings of the Group	<u>69,540</u>	<u>79,062</u>

B.13 (Loss)/Profit Before Tax

The following items have been included in arriving at (loss)/profit before tax:-

	Current financial quarter ended 30.06.2013	Current financial year-to-date ended 30.06.2013
	RM'000	RM'000
Depreciation of property, plant and equipment	2,447	4,822
Amortisation of land use rights	338	668
Auditors' remuneration	37	75
Directors' remuneration		
- fees	71	125
- other emoluments	847	1,672
Gain on disposal of property, plant and equipment	(36)	(76)
Property, plant and equipment written off	1	7
Rental of premises, land and buildings	6,632	13,752
Rental of equipment	3	6
Staff costs		
- Contribution to defined contribution plan	17	32
- Salaries and others	9,735	18,485
Government grant income	(33)	(65)
Government subsidies	(614)	(838)
Interest expense	832	1,619
Gain on realised foreign exchange	(555)	(591)
Gain on unrealised foreign exchange	-	(6)
Interest revenue	(380)	(755)

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
26 August 2013