



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Continuing operations				
Revenue	10,213	9,200	30,062	28,529
Operating costs	(11,373)	(10,374)	(30,791)	(30,452)
Other income	901	7,270	2,565	8,214
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit from operations	(259)	6,096	1,836	6,291
Finance costs	(363)	(385)	(1,085)	(1,276)
Share of results of				
Associates	(891)	677	(669)	1,501
Jointly controlled entity	(3,014)	(499)	(8,711)	(1,465)
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit before tax	(4,527)	5,889	(8,629)	5,051
Tax expense	(44)	(1,043)	(283)	(1,396)
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit from continuing operations	(4,571)	4,846	(8,912)	3,655
Discontinued operations				
Profit from discontinued operations, net of tax	1,749	889	2,757	2,365
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit for the financial period	<u>(2,822)</u>	<u>5,735</u>	<u>(6,155)</u>	<u>6,020</u>
Attributable to:				
Owners of the parent				
- From continuing operations	(4,322)	3,698	(9,178)	2,716
- From discontinued operations	1,264	615	2,106	1,579
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,058)	4,313	(7,072)	4,295
Non-controlling interests	236	1,422	917	1,725
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit for the financial period	<u>(2,822)</u>	<u>5,735</u>	<u>(6,155)</u>	<u>6,020</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 2012.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(2,822)	5,735	(6,155)	6,020
Other comprehensive income, net of tax				
Foreign currency translation differences	14,944	(18,510)	33,096	(17,825)
Fair value adjustment of available-for-sale financial assets	19	(30)	32	(317)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other comprehensive income for the financial period, net of tax	14,963	(18,540)	33,128	(18,142)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the financial period	<u>12,141</u>	<u>(12,805)</u>	<u>26,973</u>	<u>(12,122)</u>
Total comprehensive income attributable to:				
Owners of the parent	8,857	(7,988)	18,829	(7,416)
Non-controlling interests	3,284	(4,817)	8,144	(4,706)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the financial period	<u>12,141</u>	<u>(12,805)</u>	<u>26,973</u>	<u>(12,122)</u>
Basic (loss)/earnings per share attributable to owners of the parent (sen)				
- From continuing operations	(2.6)	2.1	(5.6)	1.5
- From discontinued operations	0.8	0.4	1.3	0.9
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>(1.8)</u>	<u>2.5</u>	<u>(4.3)</u>	<u>2.4</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 30.09.13 RM'000	As at 31.12.12 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	56,650	267,778
Land use rights	15,061	70,309
Capital work-in-progress	-	18,168
Interest in associates	74,848	71,680
Interest in jointly controlled entities	36,267	42,193
Available-for-sale financial assets	1,589	1,485
Amount owing by a jointly controlled entity	35,496	29,974
	219,911	501,587
Current assets		
Trade receivables	10,187	35,659
Other receivables, deposits and prepayments	6,552	17,342
Amount owing by a jointly controlled entity	7,987	-
Tax assets	538	453
Cash & cash equivalents	76,458	47,211
	101,722	100,665
Assets of disposal group classified as held for sale	356,275	-
	457,997	100,665
TOTAL ASSETS	677,908	602,252
EQUITY AND LIABILITIES		
Equity		
Share capital	178,026	178,026
Reserves	206,642	187,813
Treasury shares	(12,969)	(11,413)
Total equity attributable to owners of the parent	371,699	354,426
Non-controlling interests	85,341	77,197
Total equity	457,040	431,623
Non-current liabilities		
Long term borrowings	37,792	69,860
Government grant received in advance	-	6,032
Deferred tax liabilities	214	24,348
	38,006	100,240
Current liabilities		
Trade payables	2,897	5,738
Other payables, deposits and accruals	62,269	25,569
Short term borrowings	22,359	37,092
Taxation	816	1,990
	88,341	70,389
Liabilities of disposal group classified as held for sale	94,521	-
	182,862	70,389
Total Liabilities	220,868	170,629
	677,908	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

	9 months ended	
	30.09.13	30.09.12
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from continuing operations	(8,629)	5,051
Profit before tax from discontinued operation	5,257	5,031
(Loss)/Profit before tax, total	<u>(3,372)</u>	<u>10,082</u>
Adjustments for :-		
Depreciation of property, plant and equipment	7,433	7,004
Amortisation of land use rights	1,024	2,348
(Gain)/Loss on disposal of property, plant and equipment	(77)	186
Gain on disposal of investment in a subsidiary	-	(2,936)
Property, plant and equipment written off	7	-
Bad debts written off	7	151
Deposit written off	-	5
Share of losses/(profits) of associates	669	(1,501)
Share of losses of jointly controlled entities	8,711	1,465
Unrealised (gain)/loss on foreign exchange	(6)	13
Reversal of provision for land penalty	-	(3,556)
Government grant income	(99)	(237)
Interest revenue	(1,151)	(1,663)
Interest expense	2,403	3,407
Operating Profit Before Working Capital Changes	<u>15,549</u>	<u>14,768</u>
Decrease in trade and other receivables	8,807	5,646
Increase in trade and other payables	95,028	441
Cash Generated From Operations	<u>119,384</u>	<u>20,855</u>
Government grant received	-	4,504
Interest paid	(2,419)	(3,403)
Tax paid	(2,924)	(3,891)
Tax refund	33	-
Net Cash From Operating Activities	<u>114,074</u>	<u>18,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in an associate	-	(11,104)
Acquisition of other investment	-	(350)
Capital work-in-progress incurred	(5,398)	(15,308)
Capital contribution from non-controlling shareholder	-	4,274
Purchase of property, plant and equipment	(1,236)	(4,636)
Proceeds from disposal of property, plant and equipment	118	40
Effect of disposal of a subsidiary, net of cash disposed	-	35,385
Advances to a jointly controlled entity	(11,052)	(13,683)
Interest received	1,151	1,663
Net Cash Used In Investing Activities	<u>(16,417)</u>	<u>(3,719)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans	7,927	-
Repayments of term loans	(62,192)	(23,558)
Proceeds from revolving credit	2,632	-
Repayments of unsecured loan to a non-controlling shareholder	(2,522)	-
Treasury shares repurchased	(1,556)	(3,972)
Dividend paid	-	(6,661)
Net Cash Used In Financing Activities	<u>(55,711)</u>	<u>(34,191)</u>
Effects of exchange rate changes on cash and cash equivalents	41,946	(19,845)
	3,806	(6,580)
Net change in cash and cash equivalents	<u>45,752</u>	<u>(26,425)</u>
Cash and cash equivalents at beginning of the financial period	47,211	105,907
Cash and cash equivalents at end of the financial period	<u>92,963</u>	<u>79,482</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 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
9 months ended 30 September 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	-	-	-	-	-	-	-	-	(7,072)	(7,072)	917	(6,155)
Other comprehensive income												
Foreign currency translation differences	-	-	-	-	-	24,869	-	1,010	-	25,879	7,217	33,096
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	22	-	-	22	10	32
Total other comprehensive income for the financial period	-	-	-	-	-	24,869	22	1,010	-	25,901	7,227	33,128
Total comprehensive income for the financial period	-	-	-	-	-	24,869	22	1,010	(7,072)	18,829	8,144	26,973
Transactions with owners												
Purchase of treasury shares	-	(1,556)	-	-	-	-	-	-	-	(1,556)	-	(1,556)
Total transactions with owners	-	(1,556)	-	-	-	-	-	-	-	(1,556)	-	(1,556)
At 30.09.13	178,026	(12,969)	27,609	19,000	52,474	24,436	256	16,385	66,482	371,699	85,341	457,040
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 adjustment 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 shareholder	-	-	-	-	-	-	-	-	-	-	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

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 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
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	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 not repurchased any ordinary shares of RM1.00 each of its issued share capital from the open market. As at 30 September 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 30.09.2013				
External revenue				
- From continuing operations	7,218	2,938	57	10,213
- From discontinued operations	23,507	1,174	117	24,798
	<u>30,725</u>	<u>4,112</u>	<u>174</u>	<u>35,011</u>
Segment profit/(loss)				
- From continuing operations	(520)	1,352	6	838
- From discontinued operations	3,300	(393)	-	2,907
	<u>2,780</u>	<u>959</u>	<u>6</u>	<u>3,745</u>
3 months ended 30.09.2012				
External revenue				
- From continuing operations	6,482	2,602	116	9,200
- From discontinued operations	22,240	2,535	8	24,783
	<u>28,722</u>	<u>5,137</u>	<u>124</u>	<u>33,983</u>
Segment profit/(loss)				
- From continuing operations	(441)	6	9	(426)
- From discontinued operations	1,498	303	-	1,801
	<u>1,057</u>	<u>309</u>	<u>9</u>	<u>1,375</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
9 months ended 30.09.2013				
External revenue				
- From continuing operations	20,948	8,908	206	30,062
- From discontinued operations	67,879	4,025	187	72,091
	<u>88,827</u>	<u>12,933</u>	<u>393</u>	<u>102,153</u>
Segment profit/(loss)				
- From continuing operations	2,060	1,469	21	3,550
- From discontinued operations	5,387	(130)	-	5,257
	<u>7,447</u>	<u>1,339</u>	<u>21</u>	<u>8,807</u>
9 months ended 30.09.2012				
External revenue				
- From continuing operations	19,518	8,422	589	28,529
- From discontinued operations	67,454	8,320	89	75,863
	<u>86,972</u>	<u>16,742</u>	<u>678</u>	<u>104,392</u>
Segment profit/(loss)				
- From continuing operations	450	(612)	104	(58)
- From discontinued operations	3,594	1,437	-	5,031
	<u>4,044</u>	<u>825</u>	<u>104</u>	<u>4,973</u>
Reconciliation of reportable segment profit				
	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Total profit from reportable segments				
- From continuing operations	838	(426)	3,550	(58)
- From discontinued operations	2,907	1,801	5,257	5,031
Other non-reportable segments	(1,460)	6,137	(2,799)	5,073
Share of results of associates	(891)	677	(669)	1,501
Share of results of jointly controlled entities	(3,014)	(499)	(8,711)	(1,465)
Consolidated (loss)/profit before tax	<u>(1,620)</u>	<u>7,690</u>	<u>(3,372)</u>	<u>10,082</u>

b. By Geographical Location

External revenue	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	10,213	9,200	30,062	28,529
- From discontinued operations	24,798	24,783	72,091	75,863
	<u>35,011</u>	<u>33,983</u>	<u>102,153</u>	<u>104,392</u>
(Loss)/Profit before tax				
	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Malaysia	(1,452)	(608)	(2,764)	(1,467)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(61)	6,996	2,846	7,983
- From discontinued operations	2,907	1,801	5,257	5,031
United Arab Emirates	(3,014)	(499)	(8,711)	(1,465)
	<u>(1,620)</u>	<u>7,690</u>	<u>(3,372)</u>	<u>10,082</u>

A.9 Discontinued Operations

On 28 June 2013, Integrated Logistics (H.K.) Limited in which ILB has 70% effective equity interest, had 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 Condensed Consolidated Statement of Comprehensive Income and "Disposal Group Held for Sale" in the Condensed Consolidated Statement of Financial Position.

Profits attributable to the discontinued operations were as follows:-

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	24,798	24,783	72,091	75,863
Operating costs	(22,143)	(22,995)	(67,698)	(69,760)
Other income	673	668	2,182	1,059
Profit from operations	3,328	2,456	6,575	7,162
Finance costs	(421)	(655)	(1,318)	(2,131)
Profit before tax	2,907	1,801	5,257	5,031
Tax expense	(1,158)	(912)	(2,500)	(2,666)
Profit for the financial period	1,749	889	2,757	2,365

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

Assets	RM'000
Property, plant and equipment	252,185
Land use rights	60,138
Trade receivables	20,158
Other receivables, deposits and prepayments	7,289
Cash & cash equivalents	16,505
Assets of disposal group classified as held for sale *	356,275
Liabilities	
Trade payables	2,152
Other payables, deposits and accruals	59,017
Taxation	1,272
Government grant received in advance	6,326
Deferred tax liabilities	25,754
Liabilities of disposal group classified as held for sale *	94,521
Net assets of disposal group held for sale	261,754

* The assets and liabilities under the disposal group do not include the inter-company debts within the Group of RM126.1 million as the amount has been eliminated at group level upon consolidation.

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

	9 months ended	
	30.09.2013	30.09.2012
	RM'000	RM'000
Operating cash flows	108,186	28,725
Investing cash flows	(607)	(4,502)
Financing cash flows	(49,765)	(19,920)
	57,814	4,303

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 30 October 2013, Integrated Logistics (H.K.) Limited in which ILB has 70% effective equity interest, had completed the share sale in relation to the Deed of Sale and Purchase dated 28 June 2013 entered into with Winfair International Holdings Limited for the disposal of 100% equity interest in ISH Logistics (Shenzhen II) Limited and Integrated Logistics Henan (H.K.) Limited for a total cash consideration of RMB998.0 million.

A.12 Changes in The Composition of the Group

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

A.13 Contingent Liabilities and Contingent Assets

As at the end of the reporting quarter, corporate guarantees given by the Company to financial institutions for banking facilities granted to the subsidiaries had been reduced from RM47.4 million to RM6.2 million.

Apart from the above, there were no other 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 September 2013, the Group posted a revenue of RM30.1 million which was 5.6% higher than the revenue of RM28.5 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 RM8.7 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM5.1 million. The increase in pre-tax loss of RM13.8 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 in the preceding year	(2.9)
Reversal of provision for land penalty in the preceding year	(3.6)
Increase in profit generated from revenue and reduction of operating costs	3.4
Decrease in finance costs	0.2
Decrease in profit from Associate	(2.3)
ii) <u>Malaysia</u>	
Increase in other income	0.8
Increase in operating costs	(2.3)
Increase in profit from Associate	0.1
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(7.2)
	<u>(13.8)</u>

Discontinued Operations

For the current financial period ended 30 September 2013, the Group posted a revenue of RM72.1 million which was 5.0% lower than the revenue of RM75.9 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue reduction from the transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM5.3 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM5.0 million. The increase in pre-tax profit of RM0.3 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 other income	1.1
Decrease in profit generated from revenue	(1.6)
Decrease in finance costs	0.8
	<u>0.3</u>

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

Continuing operations

For the current quarter ended 30 September 2013, the Group posted a revenue of RM10.2 million which was 10.9% higher than the revenue of RM9.2 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to revenue increase from the warehousing & related value added services and the transportation & distribution 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 RM4.5 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM5.9 million. The increase in pre-tax loss of RM10.4 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 in the preceding year	(2.9)
Reversal of provision for land penalty in the preceding year	(3.6)
Increase in profit generated from revenue and reduction of operating costs	1.2
Decrease in profit from Associate	(1.8)
ii) <u>Malaysia</u>	
Increase in other income	0.1
Increase in operating costs	(1.2)
Increase in profit from Associate	0.3
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(2.5)
	<u>(10.4)</u>

Discontinued Operations

For the current quarter ended 30 September 2013, the Group posted a revenue of RM24.8 million which was the same as the revenue for the corresponding quarter in the preceding year. The revenue was mainly 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 profit of RM2.9 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM1.8 million. The increase in pre-tax profit of RM1.1 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	0.9
Decrease in finance costs	0.2
	<u>1.1</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Revenue		(Loss)/Profit before tax	
	3 months ended		3 months ended	
	30.09.2013	30.06.2013	30.09.2013	30.06.2013
	RM'000	RM'000	RM'000	RM'000
- From continuing operations	10,213	10,345	(4,527)	(2,105)
- From discontinued operations	24,798	23,945	2,907	1,733
	<u>35,011</u>	<u>34,290</u>	<u>(1,620)</u>	<u>(372)</u>

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 2.0% from RM34.3 million to RM35.0 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 RM1.6 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM0.4 million. The increase in pre-tax loss of RM1.2 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 and reduction of operating costs	1.1
Decrease in other income	(0.5)
Decrease in profit from Associate	(0.9)
ii) <u>Malaysia</u>	
Increase in operating costs	(0.7)
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(0.2)
	<u>(1.2)</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 30.09.2013	Current financial year-to-date ended 30.09.2013
	RM'000	RM'000
Tax expense comprises :-		
Current income tax		
- From continuing operations	44	283
- From discontinued operations	1,158	2,500
Tax expense for the financial period	<u>1,202</u>	<u>2,783</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 2013 are as follows:-

	Current financial quarter ended 30.09.2013	Current financial year-to-date ended 30.09.2013
	RM'000	RM'000
Loss before tax	<u>(1,620)</u>	<u>(3,372)</u>
Tax at Malaysian statutory tax rate of 25%	(405)	(843)
Different tax rates in other countries	(51)	(90)
Adjustments:		
Share of results of associates	(2)	(9)
Share of results of jointly controlled entities	754	2,178
Tax effect on non-taxable revenue	2,676	(357)
Tax effect on non-deductible expenses	(2,246)	1,845
Deferred tax assets not recognised during the year	110	120
Utilisation of deferred tax assets not recognised in prior year	366	(53)
Over provision in prior year		
- income tax	-	(8)
Income tax expense recognised in profit or loss	<u>1,202</u>	<u>2,783</u>

B.6 Status of Corporate Proposals

The corporate proposal announced and completed as at the date of this report is as follows:-

On 30 October 2013, Integrated Logistics (H.K.) Limited in which ILB has 70% effective equity interest, had completed the share sale in relation to the Deed of Sale and Purchase dated 28 June 2013 entered into 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 30.09.2013	As at 30.09.2012
	RM'000	RM'000
Secured :-		
Portion of term loans payable within 12 months	6,194	29,620
Unsecured :-		
Loan from a non-controlling shareholder payable within 12 months	13,533	15,123
Revolving Credit	2,632	-
	<u>22,359</u>	<u>44,743</u>

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

b. Long term borrowings	As at 30.09.2013	As at 30.09.2012
	RM'000	RM'000
Secured :-		
Portion of term loans payable after 12 months	-	39,435
Unsecured :-		
Loan from a non-controlling shareholder payable after 12 months	37,792	35,615
	<u>37,792</u>	<u>75,050</u>
c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign		
	As at 30.09.2013	As at 30.09.2012
	RM'000	RM'000
(i) In Chinese Renminbi		
Portion of term loans payable within 12 months	-	16,715
Portion of term loans payable after 12 months	-	1,506
	<u>-</u>	<u>18,221</u>
(ii) In US Dollars		
Portion of term loans payable within 12 months	6,194	12,905
Portion of term loans payable after 12 months	-	37,929
	<u>6,194</u>	<u>50,834</u>
(iii) In Hong Kong Dollars		
Loan from a non-controlling shareholder payable within 12 months	13,533	15,123
Loan from a non-controlling shareholder payable after 12 months	37,792	35,615
	<u>51,325</u>	<u>50,738</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

A special dividend of RM1.10 per share nett for the financial year ending 31 December 2013 had been declared on the 4 November 2013 comprising a dividend of 35.72 sen per share gross less 25% income tax and a single tier dividend of 83.21 sen per share.

The special dividend will be paid on the 5 December 2013 to shareholders whose names appear in the Records of Depositors on the 20 November 2013.

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
(Loss)/Profit attributable to owners of the Parent (RM'000)				
- From continuing operations	(4,322)	3,698	(9,178)	2,716
- From discontinued operations	1,264	615	2,106	1,579
	<u>(3,058)</u>	<u>4,313</u>	<u>(7,072)</u>	<u>4,295</u>
Weighted average number of ordinary shares for basic EPS ('000)	164,704	175,664	165,177	176,844
Basic EPS (sen)				
- From continuing operations	(2.6)	2.1	(5.6)	1.5
- From discontinued operations	0.8	0.4	1.3	0.9
	<u>(1.8)</u>	<u>2.5</u>	<u>(4.3)</u>	<u>2.4</u>

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

	As at 30.09.2013	As at 30.09.2012
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	67,297	68,761
- Unrealised	-	(36)
	<u>67,297</u>	<u>68,725</u>
Total share of retained earnings from associates		
- Realised	12,447	13,509
- Unrealised	(3,107)	(2,601)
	<u>9,340</u>	<u>10,908</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(16,121)	(4,090)
- Unrealised	-	-
	<u>(16,121)</u>	<u>(4,090)</u>
Less : Consolidation adjustments	5,966	23,215
Total retained earnings of the Group	<u>66,482</u>	<u>98,758</u>

B.13 (Loss)/Profit Before Tax

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

	Current financial quarter ended 30.09.2013	Current financial year-to-date ended 30.09.2013
	RM'000	RM'000
Depreciation of property, plant and equipment	2,611	7,433
Amortisation of land use rights	356	1,024
Auditors' remuneration	107	182
Directors' remuneration		
- fees	79	204
- other emoluments	866	2,538
Gain on disposal of property, plant and equipment	(1)	(77)
Property, plant and equipment written off	-	7
Bad debts written off	7	7
Rental of premises, land and buildings	6,850	20,602
Rental of equipment	3	9
Staff costs		
- Contribution to defined contribution plan	17	49
- Salaries and others	9,090	27,575
Government grant income	(34)	(99)
Government subsidies	(270)	(1,108)
Interest expense	784	2,403
Gain on realised foreign exchange	(369)	(960)
Gain on unrealised foreign exchange	-	(6)
Interest revenue	(396)	(1,151)

B.14 Comparative Figures

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

By Order of the Board

Amarjit Singh A/L Banta Singh
Company Secretary

Selangor
13 November 2013