



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.13</b>	<b>31.12.12</b>	<b>31.12.13</b>	<b>31.12.12</b>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	11,592	8,131	41,654	36,660
Operating costs	(54,460)	(8,761)	(85,251)	(39,213)
Other income	247,380	399	249,945	8,613
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) from operations</b>	<b>204,512</b>	<b>(231)</b>	<b>206,348</b>	<b>6,060</b>
Finance costs	(346)	(387)	(1,431)	(1,663)
Share of results of				
Associates	(885)	(898)	(1,554)	603
Jointly controlled entity	(2,634)	(3,319)	(11,345)	(4,784)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) before tax</b>	<b>200,647</b>	<b>(4,835)</b>	<b>192,018</b>	<b>216</b>
Tax expense	(1,473)	(184)	(1,756)	(1,580)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) from continuing operations</b>	<b>199,174</b>	<b>(5,019)</b>	<b>190,262</b>	<b>(1,364)</b>
<b>Discontinued operations</b>				
(Loss)/Profit from discontinued operations, net of tax	(301)	436	2,456	2,801
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit/(Loss) for the financial period/year</b>	<b><u>198,873</u></b>	<b><u>(4,583)</u></b>	<b><u>192,718</u></b>	<b><u>1,437</u></b>
<b>Attributable to:</b>				
Owners of the parent				
- From continuing operations	137,171	(4,716)	127,993	(2,000)
- From discontinued operations	(387)	319	1,719	1,898
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	136,784	(4,397)	129,712	(102)
Non-controlling interests	62,089	(186)	63,006	1,539
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<b>Profit/(Loss) for the financial period/year</b>	<b><u>198,873</u></b>	<b><u>(4,583)</u></b>	<b><u>192,718</u></b>	<b><u>1,437</u></b>

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		12 months ended	
	31.12.13	31.12.12	31.12.13	31.12.12
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) for the financial period/year</b>	<b>198,873</b>	<b>(4,583)</b>	<b>192,718</b>	<b>1,437</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences	2,223	(200)	35,319	(14,462)
Fair value adjustment of available-for-sale financial assets	199	163	231	(154)
<b>Other comprehensive income for the financial period/year, net of tax</b>	<b>2,422</b>	<b>(37)</b>	<b>35,550</b>	<b>(14,616)</b>
<b>Total comprehensive income for the financial period/year</b>	<b><u>201,295</u></b>	<b><u>(4,620)</u></b>	<b><u>228,268</u></b>	<b><u>(13,179)</u></b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	139,419	(4,667)	158,248	(12,083)
Non-controlling interests	61,876	47	70,020	(1,096)
<b>Total comprehensive income for the financial period/year</b>	<b><u>201,295</u></b>	<b><u>(4,620)</u></b>	<b><u>228,268</u></b>	<b><u>(13,179)</u></b>
<b>Basic earnings/(loss) per share attributable to owners of the parent (sen)</b>				
- From continuing operations	83.3	(2.8)	77.6	(1.2)
- From discontinued operations	(0.2)	0.2	1.0	1.1
	<b><u>83.1</u></b>	<b><u>(2.6)</u></b>	<b><u>78.6</u></b>	<b><u>(0.1)</u></b>

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 31.12.13 RM'000	As at 31.12.12 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56,634	267,778
Land use rights	15,175	70,309
Capital work-in-progress	-	18,168
Interest in associates	74,227	71,680
Interest in jointly controlled entities	34,100	42,193
Available-for-sale financial assets	1,816	1,485
Amount owing by a jointly controlled entity	37,902	29,974
	<b>219,854</b>	<b>501,587</b>
<b>Current assets</b>		
Trade receivables	11,340	35,659
Other receivables, deposits and prepayments	6,401	17,342
Amount owing by a jointly controlled entity	11,593	-
Tax assets	344	453
Cash & cash equivalents	183,378	47,211
	<b>213,056</b>	<b>100,665</b>
<b>TOTAL ASSETS</b>	<b>432,910</b>	<b>602,252</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	178,026	178,026
Reserves	151,364	187,813
Treasury shares	(13,145)	(11,413)
<b>Total equity attributable to owners of the parent</b>	<b>316,245</b>	<b>354,426</b>
<b>Non-controlling interests</b>	<b>56,816</b>	<b>77,197</b>
<b>Total equity</b>	<b>373,061</b>	<b>431,623</b>
<b>Non-current liabilities</b>		
Long term borrowings	38,845	69,860
Government grant received in advance	-	6,032
Deferred tax liabilities	46	24,348
	<b>38,891</b>	<b>100,240</b>
<b>Current liabilities</b>		
Trade payables	4,160	5,738
Other payables, deposits and accruals	11,878	25,569
Short term borrowings	4,668	37,092
Taxation	252	1,990
	<b>20,958</b>	<b>70,389</b>
<b>Total Liabilities</b>	<b>59,849</b>	<b>170,629</b>
	<b>432,910</b>	<b>602,252</b>

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

	12 months ended	
	31.12.13	31.12.12
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	192,018	216
Profit before tax from discontinued operation	5,324	6,792
Profit before tax, total	<u>197,342</u>	<u>7,008</u>
Adjustments for :-		
Depreciation of property, plant and equipment	8,631	9,246
Amortisation of land use rights	1,201	1,772
(Gain)/Loss on disposal of property, plant and equipment	(56)	78
Gain on disposal of investments in subsidiaries	(245,914)	(2,028)
Capital work-in-progress written off	-	149
Bad debts written off	308	150
Deposit written off	-	5
Share of losses/(profits) of associates	1,554	(603)
Share of losses of jointly controlled entities	11,345	4,784
Unrealised (gain)/loss on foreign exchange	(6)	14
Provision for employee benefits	4	-
Reversal of provision for land penalty	-	(3,483)
Government grant income	(110)	(92)
Interest revenue	(2,358)	(1,888)
Interest expense	2,761	4,353
Operating (Loss)/Profit Before Working Capital Changes	<u>(25,298)</u>	<u>19,465</u>
Decrease in trade and other receivables	7,397	517
Increase in trade and other payables	55,803	4,333
Cash Generated From Operations	<u>37,902</u>	<u>24,315</u>
Government grant received	-	4,493
Interest paid	(2,827)	(4,351)
Tax paid	(6,914)	(4,972)
Tax refund	33	-
<b>Net Cash From Operating Activities</b>	<b><u>28,194</u></b>	<b><u>19,485</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment in available-for-sale financial assets	-	(11,062)
Acquisition of other investment	-	(350)
Capital work-in-progress incurred	(5,424)	(17,439)
Capital contribution from non-controlling shareholder	-	4,249
Purchase of property, plant and equipment	(1,303)	(5,055)
Proceeds from disposal of property, plant and equipment	135	148
Effect of disposal of a subsidiary, net of cash disposed	471,740	35,921
Advances to a jointly controlled entity	(16,815)	(17,871)
Interest received	2,358	1,888
<b>Net Cash From/(Used In) Investing Activities</b>	<b><u>450,691</u></b>	<b><u>(9,571)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from term loans	7,965	2,267
Repayments of term loans	(64,009)	(38,346)
Repayments of unsecured loan to a non-controlling shareholder	(15,207)	-
Treasury shares repurchased	(1,732)	(11,565)
Dividends paid to non-controlling interests	(91,872)	(3,550)
Dividend paid	(181,174)	(13,148)
<b>Net Cash Used In Financing Activities</b>	<b><u>(346,029)</u></b>	<b><u>(64,342)</u></b>
Effects of exchange rate changes on cash and cash equivalents	132,856	(54,428)
	3,311	(4,268)
<b>Net change in cash and cash equivalents</b>	<b><u>136,167</u></b>	<b><u>(58,696)</u></b>
<b>Cash and cash equivalents at beginning of financial period/year</b>	<b><u>47,211</u></b>	<b><u>105,907</u></b>
<b>Cash and cash equivalents at end of financial period/year</b>	<b><u>183,378</u></b>	<b><u>47,211</u></b>

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
<b>12 months ended 31 December 2013</b>												
<b>At 01.01.13</b>	178,026	(11,413)	27,609	19,000	52,474	(433)	234	15,375	73,554	354,426	77,197	431,623
<b>Comprehensive income</b>												
Profit for the financial year	-	-	-	-	-	-	-	-	129,712	129,712	63,006	192,718
<b>Other comprehensive income</b>												
Foreign currency translation differences	-	-	-	-	(1,657)	29,241	-	790	-	28,374	6,945	35,319
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	162	-	-	162	69	231
<b>Total other comprehensive income for the financial year</b>	-	-	-	-	(1,657)	29,241	162	790	-	28,536	7,014	35,550
<b>Total comprehensive income for the financial year</b>	-	-	-	-	(1,657)	29,241	162	790	129,712	158,248	70,020	228,268
<b>Transactions with owners</b>												
Transfer to statutory reserve fund	-	-	-	-	-	-	-	27	(27)	-	-	-
Transfer on disposal of subsidiaries	-	-	-	-	(48,699)	(18,643)	-	(8,759)	62,668	(13,433)	1,579	(11,854)
Revaluation decrease on warehouse	-	-	-	-	(90)	-	-	-	-	(90)	(108)	(198)
Purchase of treasury shares	-	(1,732)	-	-	-	-	-	-	-	(1,732)	-	(1,732)
A special dividend comprising of a franked dividend of 35.72% less 25% income tax and a single-tier dividend of 83.21% in respect for the financial year ended 31.12.2013	-	-	-	-	-	-	-	-	(181,174)	(181,174)	-	(181,174)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(91,872)	(91,872)
<b>Total transactions with owners</b>	-	(1,732)	-	-	(48,789)	(18,643)	-	(8,732)	(118,533)	(196,429)	(90,401)	(286,830)
<b>At 31.12.13</b>	<b>178,026</b>	<b>(13,145)</b>	<b>27,609</b>	<b>19,000</b>	<b>2,028</b>	<b>10,165</b>	<b>396</b>	<b>7,433</b>	<b>84,733</b>	<b>316,245</b>	<b>56,816</b>	<b>373,061</b>
<b>12 months ended 31 December 2012</b>												
<b>At 01.01.12</b>	197,026	(16,325)	44,086	-	38,262	13,196	298	14,793	85,741	377,077	71,436	448,513
<b>Comprehensive income</b>												
Loss/(profit) for the financial year	-	-	-	-	-	-	-	-	(102)	(102)	1,539	1,437
<b>Other comprehensive income</b>												
Foreign currency translation differences	-	-	-	-	-	(11,376)	-	(541)	-	(11,917)	(2,545)	(14,462)
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	(64)	-	-	(64)	(90)	(154)
<b>Total other comprehensive income for the financial year</b>	-	-	-	-	-	(11,376)	(64)	(541)	-	(11,981)	(2,635)	(14,616)
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	(11,376)	(64)	(541)	(102)	(12,083)	(1,096)	(13,179)
<b>Transactions with owners</b>												
Transfer to statutory reserve fund	-	-	-	-	-	-	-	1,164	(1,164)	-	-	-
Transfer on disposal of a subsidiary	-	-	-	-	-	(2,186)	-	(41)	2,227	-	-	-
Purchase of treasury shares	-	(11,565)	-	-	-	-	-	-	-	(11,565)	-	(11,565)
Cancellation of treasury shares	(19,000)	16,477	(16,477)	19,000	-	-	-	-	-	-	-	-
Revaluation surplus on properties	-	-	-	-	14,212	(67)	-	-	-	14,145	6,158	20,303
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)
Interim dividend of 5.0% per share less 25% in respect of the financial year ended 31.12.2012	-	-	-	-	-	-	-	-	(6,487)	(6,487)	-	(6,487)
Capital contribution by non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	4,249	4,249
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,550)	(3,550)
<b>Total transactions with owners</b>	(19,000)	4,912	(16,477)	19,000	14,212	(2,253)	-	1,123	(12,085)	(10,568)	6,857	(3,711)
<b>At 31.12.12</b>	<b>178,026</b>	<b>(11,413)</b>	<b>27,609</b>	<b>19,000</b>	<b>52,474</b>	<b>(433)</b>	<b>234</b>	<b>15,375</b>	<b>73,554</b>	<b>354,426</b>	<b>77,197</b>	<b>431,623</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the 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) is 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:

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 MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 132	Financial Instruments Presentation
Amendments to MFRS 134	Interim Financial Reporting
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 127	Separate Financial Statements	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 not have any impact on the interim financial report in the year 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 would 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 243,500 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM0.724 per share. The total consideration paid for the share buy-back was RM176,370 and was financed by internally generated funds. As at 31 December 2013, a total of 13,565,500 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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

#### A.7 Dividend Paid

A special dividend of RM1.10 per share nett in respect for the financial year ended 31 December 2013 comprising of a franked dividend of 35.72 sen per share less 25% income tax and a single-tier dividend of 83.21 sen per share, both totalling RM181,173,849 was paid on 5 December 2013.

#### A.8 Operating Segments

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

##### a. By Activity

	<b>Warehousing &amp; related value added services RM'000</b>	<b>Transportation &amp; distribution RM'000</b>	<b>Freight forwarding RM'000</b>	<b>Consolidated RM'000</b>
<b>3 months ended 31.12.2013</b>				
External revenue				
- From continuing operations	8,346	3,130	116	11,592
- From discontinued operations	7,361	666	(28)	7,999
	<u>15,707</u>	<u>3,796</u>	<u>88</u>	<u>19,591</u>
Segment (loss)/profit				
- From continuing operations	(36,505)	(5,849)	(21)	(42,375)
- From discontinued operations	58	9	-	67
	<u>(36,447)</u>	<u>(5,840)</u>	<u>(21)</u>	<u>(42,308)</u>
<b>3 months ended 31.12.2012</b>				
External revenue				
- From continuing operations	7,207	879	45	8,131
- From discontinued operations	23,767	1,567	66	25,400
	<u>30,974</u>	<u>2,446</u>	<u>111</u>	<u>33,531</u>
Segment (loss)/profit				
- From continuing operations	(315)	7	5	(303)
- From discontinued operations	3,561	106	-	3,667
	<u>3,246</u>	<u>113</u>	<u>5</u>	<u>3,364</u>

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

### a. By Activity (cont'd)

	<b>Warehousing &amp; related value added services RM'000</b>	<b>Transportation &amp; distribution RM'000</b>	<b>Freight forwarding RM'000</b>	<b>Consolidated RM'000</b>
<b>12 months ended 31.12.2013</b>				
External revenue				
- From continuing operations	29,294	12,038	322	41,654
- From discontinued operations	75,240	4,691	159	80,090
	<u>104,534</u>	<u>16,729</u>	<u>481</u>	<u>121,744</u>
Segment (loss)/profit				
- From continuing operations	(34,445)	(4,380)	-	(38,825)
- From discontinued operations	5,445	(121)	-	5,324
	<u>(29,000)</u>	<u>(4,501)</u>	<u>-</u>	<u>(33,501)</u>
<b>12 months ended 31.12.2012</b>				
External revenue				
- From continuing operations	26,725	9,301	634	36,660
- From discontinued operations	91,221	9,887	155	101,263
	<u>117,946</u>	<u>19,188</u>	<u>789</u>	<u>137,923</u>
Segment profit/(loss)				
- From continuing operations	135	(605)	109	(361)
- From discontinued operations	7,155	1,543	-	8,698
	<u>7,290</u>	<u>938</u>	<u>109</u>	<u>8,337</u>
<b>Reconciliation of reportable segment profit/(loss)</b>				
	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments				
- From continuing operations	(42,375)	(303)	(38,825)	(361)
- From discontinued operations	67	3,667	5,324	8,698
Other non-reportable segments	246,541	(2,221)	243,742	2,852
Share of results of associates	(885)	(898)	(1,554)	603
Share of results of jointly controlled entities	(2,634)	(3,319)	(11,345)	(4,784)
Consolidated profit/(loss) before tax	<u>200,714</u>	<u>(3,074)</u>	<u>197,342</u>	<u>7,008</u>

### b. By Geographical Location

External revenue	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	RM'000	RM'000	RM'000	RM'000
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	11,592	8,131	41,654	36,660
- From discontinued operations	7,999	25,400	80,090	101,263
	<u>19,591</u>	<u>33,531</u>	<u>121,744</u>	<u>137,923</u>
<b>Profit/(Loss) before tax</b>				
	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	RM'000	RM'000	RM'000	RM'000
Malaysia	(17)	(1,181)	(2,781)	(2,648)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	203,298	(335)	206,144	7,648
- From discontinued operations	67	1,761	5,324	6,792
United Arab Emirates	(2,634)	(3,319)	(11,345)	(4,784)
	<u>200,714</u>	<u>(3,074)</u>	<u>197,342</u>	<u>7,008</u>



## A.9 Discontinued Operations

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.

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.

Profits attributable to the discontinued operations were as follows:-

	Individual period ended		Cumulative period ended	
	1 month 31.10.2013	3 months 31.12.2012	10 months 31.10.2013	12 months 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	7,999	25,400	80,090	101,263
Operating costs	(8,535)	(23,000)	(76,233)	(92,760)
Other income	614	(80)	2,796	979
<b>Profit from operations</b>	<b>78</b>	<b>2,320</b>	<b>6,653</b>	<b>9,482</b>
Finance costs	(11)	(59)	(1,329)	(2,690)
<b>Profit before tax</b>	<b>67</b>	<b>1,761</b>	<b>5,324</b>	<b>6,792</b>
Tax expense	(368)	(1,325)	(2,868)	(3,991)
<b>(Loss)/Profit for the financial period/year</b>	<b>(301)</b>	<b>436</b>	<b>2,456</b>	<b>2,801</b>

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

	Cumulative period ended	
	10 months 31.10.2013	12 months 31.12.2012
	RM'000	RM'000
Operating cash flows	84,067	34,638
Investing cash flows	(281)	(4,842)
Financing cash flows	(83,202)	(30,920)
	<u>584</u>	<u>(1,124)</u>

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

The property, plant and equipment were valued based on valuations performed by an independent registered valuer as at 31 December 2013. The decrease arising from the valuations amounting to RM0.3 million has been incorporated into the financial statements during the quarter under review.

## A.11 Material Subsequent Events

Integrated Leasing Corporation Sdn Bhd, a wholly-owned subsidiary of ILB which was under Members' Voluntary Winding-up, has been dissolved in January 2014.

## 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.

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.

On 19 November 2013, Integrated Freight Services Sdn Bhd and Integrated Haulage Sdn Bhd, both wholly-owned subsidiaries of ILB, had been placed under Members' Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

#### **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 a subsidiary amounted to RM4.7 million, and to a jointly controlled entity amounted to RM41.9 million.

Apart from the above, there were no other contingent liabilities and contingent assets since the last annual reporting date.

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

As at the end of the reporting quarter, the Group has a capital commitment of RM6.5 million in respect of the enhancement of logistics warehouse facilities by a jointly controlled entity.

## 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 year ended 31 December 2013, the Group posted a revenue of RM41.7 million which was 13.6% higher than the revenue of RM36.7 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 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 RM192.0 million for the current financial year as compared to the pre-tax profit for the corresponding period in the preceding year of RM0.2 million. The increase in pre-tax profit of RM191.8 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of subsidiaries, ISH Logistics (Shenzhen II) Limited and Integrated Logistics Henan (H.K.) Ltd.	245.9
Increase in operating costs	(41.4)
Reversal of provision for land penalty in the preceding year	(3.5)
Gain on disposal of a subsidiary, ISH Logistics (Shenzhen) Limited in the preceding year	(2.0)
Increase in losses from Associate	(2.2)
Increase in other income	0.7
Decrease in finance costs	0.3
ii) <u>Malaysia</u>	
Increase in other income	1.2
Increase in operating costs	(0.6)
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(6.6)
	<u>191.8</u>

##### Discontinued Operations

For the current financial year ended 31 December 2013, the Group posted a revenue of RM80.1 million which was 20.9% lower than the revenue of RM101.3 million for the corresponding period in the preceding year. The lower revenue was mainly due to only 10 months operations for the current financial year as a results of the completion of disposal of discontinued operations on 30 October 2013.

The Group posted a pre-tax profit of RM5.3 million for the current financial year as compared to the pre-tax profit for the corresponding period in the preceding year of RM6.8 million. The decrease in pre-tax profit of RM1.5 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in profit generated from revenue	(4.6)
Increase in other income	1.8
Decrease in finance costs	1.3
	<u>(1.5)</u>

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

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

#### Continuing operations

For the current quarter ended 31 December 2013, the Group posted a revenue of RM11.6 million which was 43.2% higher than the revenue of RM8.1 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.

The Group posted a pre-tax profit of RM200.6 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM4.8 million. The increase in pre-tax profit of RM205.4 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 subsidiaries, ISH Logistics (Shenzhen II) Limited and Integrated Logistics Henan (H.K.) Ltd.	245.9
Increase in operating costs	(43.8)
Increase in other income	0.7
Decrease in finance costs	0.1
ii) <u>Malaysia</u>	
Decrease in operating costs	1.4
Increase in other income	0.4
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	0.7
	<u>205.4</u>

#### Discontinued Operations

For the current quarter ended 31 December 2013, the Group posted a revenue of RM8.0 million which was 68.5% lower than the revenue of RM25.4 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to only one month's operations for the current quarter as a result of the completion of disposal of discontinued operations on 30 October 2013.

The Group posted a pre-tax profit of RM0.1 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 decrease in pre-tax profit of RM1.7 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in profit generated from revenue	(2.9)
Increase in other income	0.7
Decrease in finance costs	0.5
	<u>(1.7)</u>

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

	Revenue		Profit/(Loss) before tax	
	3 months ended		3 months ended	
	31.12.2013	30.09.2013	31.12.2013	30.09.2013
	RM'000	RM'000	RM'000	RM'000
- From continuing operations	11,592	10,213	200,647	(4,527)
- From discontinued operations	7,999	24,798	67	2,907
	<u>19,591</u>	<u>35,011</u>	<u>200,714</u>	<u>(1,620)</u>

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 44.0% from RM35.0 million to RM19.6 million. The lower revenue was mainly due to only one month's operations for the current quarter as a result of the completion of disposal of discontinued operations on 30 October 2013.

The Group recorded a pre-tax profit of RM200.7 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM1.6 million. The increase in pre-tax profit of RM202.3 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 subsidiaries, ISH Logistics (Shenzhen II) Limited and Integrated Logistics Henan (H.K.) Ltd.	245.9
Increase in operating costs	(43.7)
Decrease in profit due to reduction in revenue	(2.8)
Increase in losses from Associate	(0.1)
Decrease in finance costs	0.4
Increase in other income	0.1
ii) <u>Malaysia</u>	
Decrease in operating costs	1.7
Increase in other income	0.4
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	0.4
	<u>202.3</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 31.12.2013	Current financial year-to-date ended 31.12.2013
	RM'000	RM'000
Tax expense comprises :-		
Current income tax		
- From continuing operations	1,473	1,756
- From discontinued operations	368	2,868
Tax expense for the financial period	<u>1,841</u>	<u>4,624</u>

## B.5 Tax Expense (cont'd)

### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 31 December 2013 are as follows:-

	Current financial quarter ended 31.12.2013	Current financial year-to-date ended 31.12.2013
	RM'000	RM'000
Profit before tax	<u>200,714</u>	<u>197,342</u>
Tax at Malaysian statutory tax rate of 25%	50,179	49,336
Different tax rates in other countries	(5,323)	(5,413)
Adjustments:		
Share of results of associates	(19)	(28)
Share of results of jointly controlled entities	658	2,836
Tax effect on non-taxable revenue	(52,965)	(53,322)
Tax effect on non-deductible expenses	8,411	10,256
Tax effect of withholding tax in foreign subsidiaries	983	983
Deferred tax assets not recognised during the financial year	(117)	3
Utilisation of deferred tax assets not recognised in prior financial years	34	(19)
Over provision in prior year		
- income tax	-	(8)
Income tax expense recognised in profit or loss	<u>1,841</u>	<u>4,624</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

	As at 31.12.2013	As at 31.12.2012
	RM'000	RM'000
<b>a. Short term borrowings</b>		
<b>Secured :-</b>		
Portion of term loans repayable within 12 months	4,668	22,026
<b>Unsecured :-</b>		
Loan from a non-controlling shareholder repayable within 12 months	-	15,066
	<u>4,668</u>	<u>37,092</u>
<b>b. Long term borrowings</b>		
<b>Secured :-</b>		
Portion of term loans repayable after 12 months	-	34,381
<b>Unsecured :-</b>		
Loan from a non-controlling shareholder repayable after 12 months	38,845	35,479
	<u>38,845</u>	<u>69,860</u>

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

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

	As at 31.12.2013	As at 31.12.2012
	RM'000	RM'000
(i) In Chinese Renminbi		
Portion of term loans repayable within 12 months	-	9,030
Portion of term loans repayable after 12 months	-	-
	<u>-</u>	<u>9,030</u>
(ii) In US Dollars		
Portion of term loans repayable within 12 months	4,668	12,996
Portion of term loans repayable after 12 months	-	34,381
	<u>4,668</u>	<u>47,377</u>
(iii) In Hong Kong Dollars		
Loan from a non-controlling shareholder repayable within 12 months	-	15,066
Loan from a non-controlling shareholder repayable after 12 months	38,845	35,479
	<u>38,845</u>	<u>50,545</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

On the 28 January 2014, the Company had declared a special share dividend on the basis of eight (8) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held (fractions of treasury shares to be disregarded) in the Company in respect of the financial year ended 31 December 2013.

The special share dividend will be credited on 3 March 2014 to shareholders whose names appear in the Records of Depositors on 14 February 2014.

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

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Profit/(Loss) attributable to owners of the Parent (RM'000)				
- From continuing operations	137,171	(4,716)	127,993	(2,000)
- From discontinued operations	(387)	319	1,719	1,898
	<u>136,784</u>	<u>(4,397)</u>	<u>129,712</u>	<u>(102)</u>
Weighted average number of ordinary shares for basic EPS ('000)	164,622	171,287	165,037	175,447
<b>Basic EPS (sen)</b>				
- From continuing operations	83.3	(2.8)	77.6	(1.2)
- From discontinued operations	(0.2)	0.2	1.0	1.1
	<u>83.1</u>	<u>(2.6)</u>	<u>78.6</u>	<u>(0.1)</u>

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

	<b>As at 31.12.2013</b>	<b>As at 31.12.2012</b>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries	96,642	50,042
- Realised	6	(20)
- Unrealised	<u>96,648</u>	<u>50,022</u>
Total share of retained earnings from associates	12,048	18,466
- Realised	(3,235)	(8,456)
- Unrealised	<u>8,813</u>	<u>10,010</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(18,393)	(7,410)
- Unrealised	-	-
	<u>(18,393)</u>	<u>(7,410)</u>
Less : Consolidation adjustments	<u>(2,335)</u>	<u>20,932</u>
Total retained earnings of the Group	<u><b>84,733</b></u>	<u><b>73,554</b></u>

**B.13 Profit Before Tax**

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

	<b>Current financial quarter ended 31.12.2013</b>	<b>Current financial year-to-date ended 31.12.2013</b>
	RM'000	RM'000
Depreciation of property, plant and equipment	1,198	8,631
Amortisation of land use rights	177	1,201
Auditors' remuneration	82	264
Directors' remuneration		
- fees	80	284
- other emoluments	7,744	10,282
Gain on disposal of investments in subsidiaries	(245,914)	(245,914)
Loss/(Gain) on disposal of property, plant and equipment	21	(56)
Property, plant and equipment written off	(7)	-
Bad debts written off	301	308
Provision for employee benefits	4	4
Rental of premises, land and buildings	4,079	24,681
Rental of equipment	3	12
Staff costs		
- Contribution to defined contribution plan	26	75
- Salaries and others	40,964	68,539
Government grant income	(11)	(110)
Government subsidies	(443)	(1,551)
Interest expense	358	2,761
Loss/(Gain) on realised foreign exchange	191	(769)
Gain on unrealised foreign exchange	-	(6)
Interest revenue	<u>(1,207)</u>	<u>(2,358)</u>

**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  
25 February 2014