



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual quarter</b>		<b>Cumulative quarters</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	9,955	10,345	20,222	19,849
Operating costs	(12,975)	(10,217)	(24,658)	(19,418)
Other income	1,131	848	2,606	1,664
	<hr/>	<hr/>	<hr/>	<hr/>
<b>(Loss)/Profit from operations</b>	<b>(1,889)</b>	<b>976</b>	<b>(1,830)</b>	<b>2,095</b>
Finance costs	(225)	(355)	(478)	(722)
Share of results of				
Associates	(65)	34	(78)	222
Jointly controlled entity	(1,696)	(2,760)	(3,902)	(5,697)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Loss before tax</b>	<b>(3,875)</b>	<b>(2,105)</b>	<b>(6,288)</b>	<b>(4,102)</b>
Tax expense	(2)	(154)	(139)	(239)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Loss from continuing operations</b>	<b>(3,877)</b>	<b>(2,259)</b>	<b>(6,427)</b>	<b>(4,341)</b>
<b>Discontinued operations</b>				
Profit from discontinued operations, net of tax	-	1,014	-	1,008
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Loss for the financial period</b>	<b><u>(3,877)</u></b>	<b><u>(1,245)</u></b>	<b><u>(6,427)</u></b>	<b><u>(3,333)</u></b>
<b>Attributable to:</b>				
Owners of the parent				
- From continuing operations	(3,660)	(2,462)	(6,102)	(4,856)
- From discontinued operations	-	774	-	842
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,660)	(1,688)	(6,102)	(4,014)
Non-controlling interests	(217)	443	(325)	681
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Loss for the financial period</b>	<b><u>(3,877)</u></b>	<b><u>(1,245)</u></b>	<b><u>(6,427)</u></b>	<b><u>(3,333)</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 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.14	30.06.13	30.06.14	30.06.13
	RM'000	RM'000	RM'000	RM'000
<b>Loss for the financial period</b>	<b>(3,877)</b>	<b>(1,245)</b>	<b>(6,427)</b>	<b>(3,333)</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences	(4,872)	12,912	(7,326)	18,152
Fair value adjustment of available-for-sale financial assets	(5)	3	(219)	13
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(4,877)</b>	<b>12,915</b>	<b>(7,545)</b>	<b>18,165</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the financial period</b>	<b><u>(8,754)</u></b>	<b><u>11,670</u></b>	<b><u>(13,972)</u></b>	<b><u>14,832</u></b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(7,603)	8,202	(11,960)	9,972
Non-controlling interests	(1,151)	3,468	(2,012)	4,860
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the financial period</b>	<b><u>(8,754)</u></b>	<b><u>11,670</u></b>	<b><u>(13,972)</u></b>	<b><u>14,832</u></b>
<b>Basic (loss)/profit per share attributable to owners of the parent (sen)</b>				
- From continuing operations	(2.1)	(1.5)	(3.5)	(2.9)
- From discontinued operations	-	0.5	-	0.5
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b><u>(2.1)</u></b>	<b><u>(1.0)</u></b>	<b><u>(3.5)</u></b>	<b><u>(2.4)</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 2013.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.06.14 RM'000	As at 31.12.13 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,237	56,634
Land use rights	14,593	15,175
Interest in associates	81,343	82,757
Interest in jointly controlled entities	29,529	34,100
Available-for-sale financial assets	1,574	1,816
Amount owing by a jointly controlled entity	39,343	37,902
	<b>220,619</b>	<b>228,384</b>
<b>Current assets</b>		
Trade receivables	9,118	11,340
Other receivables, deposits and prepayments	6,880	6,199
Amount owing by a jointly controlled entity	11,366	11,593
Tax assets	409	344
Cash & cash equivalents	160,079	183,377
	<b>187,852</b>	<b>212,853</b>
<b>TOTAL ASSETS</b>	<b>408,471</b>	<b>441,237</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	178,026	178,026
Reserves	132,861	157,334
Treasury shares	(1,253)	(13,145)
<b>Total equity attributable to owners of the parent</b>	<b>309,634</b>	<b>322,215</b>
<b>Non-controlling interests</b>	<b>57,363</b>	<b>59,375</b>
<b>Total equity</b>	<b>366,997</b>	<b>381,590</b>
<b>Non-current liabilities</b>		
Long term borrowings	-	38,603
Deferred tax liabilities	45	46
	<b>45</b>	<b>38,649</b>
<b>Current liabilities</b>		
Trade payables	2,895	2,451
Other payables, deposits and accruals	11,169	13,385
Short term borrowings	27,158	4,910
Tax payables	207	252
	<b>41,429</b>	<b>20,998</b>
<b>Total Liabilities</b>	<b>41,474</b>	<b>59,647</b>
	<b>408,471</b>	<b>441,237</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 2013.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	<b>30.06.14</b>	<b>30.06.13</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(6,288)	(4,102)
Profit before tax from discontinued operation	-	2,350
Loss before tax, total	<u>(6,288)</u>	<u>(1,752)</u>
Adjustments for :-		
Depreciation of property, plant and equipment	917	4,822
Amortisation of land use rights	166	668
Gain on disposal of property, plant and equipment	(61)	(76)
Property, plant and equipment written off	-	7
Share of results of associates	78	(222)
Share of results of jointly controlled entities	3,902	5,697
Unrealised gain on foreign exchange	-	(6)
Government grant income	-	(65)
Interest income	(1,767)	(755)
Interest expense	478	1,619
Operating (Loss)/Profit Before Working Capital Changes	<u>(2,575)</u>	<u>9,937</u>
Decrease in trade and other receivables	1,541	7,815
(Decrease)/Increase in trade and other payables	<u>(1,773)</u>	<u>48,842</u>
Cash (Used In)/Generated From Operations	<u>(2,807)</u>	<u>66,594</u>
Interest paid	(518)	(1,638)
Tax paid	(247)	(1,951)
Tax refund	-	33
<b>Net Cash (Used In)/From Operating Activities</b>	<b><u>(3,572)</u></b>	<b><u>63,038</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	-	(5,231)
Purchase of property, plant and equipment	(47)	(346)
Proceeds from disposal of property, plant and equipment	61	114
Advances to a jointly controlled entity	(2,233)	(8,419)
Interest received	1,767	755
<b>Net Cash Used In Investing Activities</b>	<b><u>(452)</u></b>	<b><u>(13,127)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from term loans	-	7,682
Repayments of term loans	(3,053)	(10,296)
Repayments of unsecured loan to a non-controlling shareholder	(12,429)	(2,444)
Treasury shares repurchased	(621)	(1,556)
<b>Net Cash Used In Financing Activities</b>	<b><u>(16,103)</u></b>	<b><u>(6,614)</u></b>
	<u>(20,127)</u>	<u>43,297</u>
Effects of exchange rate changes on cash and cash equivalents	(3,171)	1,875
<b>Net change in cash and cash equivalents</b>	<b><u>(23,298)</u></b>	<b><u>45,172</u></b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>183,377</b>	<b>47,211</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>160,079</u></b>	<b><u>92,383</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 2013.

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	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>6 months ended 30 June 2014</b>													
<b>At 01.01.14</b>	178,026	(13,145)	27,609	19,000	2,028	11,685	396	7,433	4,430	84,753	322,215	59,375	381,590
<b>Comprehensive income</b>													
Loss for the financial period	-	-	-	-	-	-	-	-	-	(6,102)	(6,102)	(325)	(6,427)
<b>Other comprehensive income</b>													
Foreign currency translation differences	-	-	-	-	-	(5,477)	-	(143)	(85)	-	(5,705)	(1,621)	(7,326)
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	-	(153)	-	-	-	(153)	(66)	(219)
<b>Total other comprehensive income for the financial period</b>	-	-	-	-	-	(5,477)	(153)	(143)	(85)	-	(5,858)	(1,687)	(7,545)
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	(5,477)	(153)	(143)	(85)	(6,102)	(11,960)	(2,012)	(13,972)
<b>Transactions with owners</b>													
Purchase of treasury shares	-	(621)	-	-	-	-	-	-	-	-	(621)	-	(621)
Special share dividend of eight (8) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held in respect of the financial year ended 31.12.2013	-	12,513	(12,513)	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	11,892	(12,513)	-	-	-	-	-	-	-	(621)	-	(621)
<b>At 30.06.14</b>	<b>178,026</b>	<b>(1,253)</b>	<b>15,096</b>	<b>19,000</b>	<b>2,028</b>	<b>6,208</b>	<b>243</b>	<b>7,290</b>	<b>4,345</b>	<b>78,651</b>	<b>309,634</b>	<b>57,363</b>	<b>366,997</b>
<b>6 months ended 30 June 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>													
Loss/(profit) for the financial period	-	-	-	-	-	-	-	-	-	(4,014)	(4,014)	681	(3,333)
<b>Other comprehensive income</b>													
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
<b>Total other comprehensive income for the financial period</b>	-	-	-	-	-	13,474	9	503	-	-	13,986	4,179	18,165
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	13,474	9	503	-	(4,014)	9,972	4,860	14,832
<b>Transactions with owners</b>													
Purchase of treasury shares	-	(1,556)	-	-	-	-	-	-	-	-	(1,556)	-	(1,556)
<b>Total transactions with owners</b>	-	(1,556)	-	-	-	-	-	-	-	-	(1,556)	-	(1,556)
<b>At 30.06.13</b>	<b>178,026</b>	<b>(12,969)</b>	<b>27,609</b>	<b>19,000</b>	<b>52,474</b>	<b>13,041</b>	<b>243</b>	<b>15,878</b>	<b>-</b>	<b>69,540</b>	<b>362,842</b>	<b>82,057</b>	<b>444,899</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 2013.

**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 2013.

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 2013 except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations that are effective from 1 January 2014:

Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 127	Separate Financial Statements
Amendments to MFRS 132	Financial Instruments : Presentation
Amendments to MFRS 136	Impairment of Assets
Amendments to MFRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 21	Levies

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
MFRS 9	Financial Instruments	To be announced by Malaysian Accounting Standards Board ("MASB")
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 1	First-time Adoption of MFRSs	1 July 2014
Amendments to MFRS 2	Share-based Payment	1 July 2014
Amendments to MFRS 3	Business Combinations	1 July 2014
Amendments to MFRS 7	Financial Instruments : Disclosures	Applies when MFRS 9 is applied
Amendments to MFRS 8	Operating Segments	1 July 2014
Amendments to MFRS 9	Financial Instruments	To be announced by MASB
Amendments to MFRS 11	Joint Arrangements	1 January 2016
Amendments to MFRS 13	Fair Value Measurement	1 July 2014
Amendments to MFRS 116	Property, Plant and Equipment	1 July 2014
Amendments to MFRS 119	Employee Benefits	1 July 2014
Amendments to MFRS 124	Related Party Disclosures	1 July 2014
Amendments to MFRS 138	Intangible Assets	1 July 2014
Amendments to MFRS 139	Financial Instruments : Recognition and Measurement	Applies when MFRS 9 is applied
Amendments to MFRS 140	Investment Property	1 July 2014

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 not repurchased any ordinary shares of RM1.00 each of its issued share capital from the open market. As at 30 June 2014, a total of 1,309,375 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.

On 3 March 2014, a total of 13,089,325 treasury shares were distributed pursuant to the share dividend for the financial year ended 31 December 2013.

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 share dividend on the basis of eight (8) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held in the Company totaling to 13,089,325 treasury shares, of which fraction of treasury share was to be disregarded, in respect of the financial year ended 31 December 2013 were distributed on 3 March 2014.

#### A.8 Operating Segments

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

##### a. By Activity

	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Freight forwarding RM'000	Consolidated RM'000
<b>3 months ended 30.06.2014</b>				
External revenue				
- From continuing operations	7,117	2,734	104	9,955
- From discontinued operations	-	-	-	-
	<u>7,117</u>	<u>2,734</u>	<u>104</u>	<u>9,955</u>
Segment (loss)/profit				
- From continuing operations	(255)	(1)	2	(254)
- From discontinued operations	-	-	-	-
	<u>(255)</u>	<u>(1)</u>	<u>2</u>	<u>(254)</u>
<b>3 months ended 30.06.2013</b>				
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>

## 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>6 months ended 30.06.2014</b>				
External revenue				
- From continuing operations	14,699	5,297	226	20,222
- From discontinued operations	-	-	-	-
	<u>14,699</u>	<u>5,297</u>	<u>226</u>	<u>20,222</u>
Segment (loss)/profit				
- From continuing operations	(120)	67	20	(33)
- From discontinued operations	-	-	-	-
	<u>(120)</u>	<u>67</u>	<u>20</u>	<u>(33)</u>
<b>6 months ended 30.06.2013</b>				
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>

### Reconciliation of reportable segment profit/(loss)

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarters 6 months ended</b>	
	<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments				
- From continuing operations	(254)	1,328	(33)	2,712
- From discontinued operations	-	1,733	-	2,350
Other non-reportable segments	(1,860)	(707)	(2,275)	(1,339)
Share of results of associates	(65)	34	(78)	222
Share of results of jointly controlled entities	(1,696)	(2,760)	(3,902)	(5,697)
Consolidated loss before tax	<u>(3,875)</u>	<u>(372)</u>	<u>(6,288)</u>	<u>(1,752)</u>

### b. By Geographical Location

External revenue	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarters 6 months ended</b>	
	<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
	RM'000	RM'000	RM'000	RM'000
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	9,955	10,345	20,222	19,849
- From discontinued operations	-	23,945	-	47,293
	<u>9,955</u>	<u>34,290</u>	<u>20,222</u>	<u>67,142</u>
Loss before tax				
Malaysia	(1,846)	(701)	(2,249)	(1,312)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(333)	1,356	(137)	2,907
- From discontinued operations	-	1,733	-	2,350
United Arab Emirates	(1,696)	(2,760)	(3,902)	(5,697)
	<u>(3,875)</u>	<u>(372)</u>	<u>(6,288)</u>	<u>(1,752)</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:-

	<b>Individual quarter 3 months ended 30.06.2013</b>	<b>Cumulative quarters 6 months ended 30.06.2013</b>
	RM'000	RM'000
Revenue	23,945	47,293
Operating costs	(22,948)	(45,555)
Other income	1,213	1,509
<b>Profit from operations</b>	<b>2,210</b>	<b>3,247</b>
Finance costs	(477)	(897)
<b>Profit before tax</b>	<b>1,733</b>	<b>2,350</b>
Tax expense	(719)	(1,342)
<b>Profit for the financial period</b>	<b>1,014</b>	<b>1,008</b>

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

	<b>Cumulative quarters 6 months ended 30.06.2013</b>
	RM'000
Operating cash flows	8,509
Investing cash flows	(199)
Financing cash flows	349
	<b>8,659</b>

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

The valuation of land and building has been brought forward without amendment from the previous audited Annual Financial Statements.

## A.11 Material Subsequent Events

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

## A.12 Changes in The Composition of the Group

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.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 RM1.5 million, and to a jointly controlled entity amounted to RM45.5 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 RM9.6 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 period ended 30 June 2014, the Group posted a revenue of RM20.2 million which was 2.0% higher than the revenue of RM19.8 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 segment of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM6.3 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM4.1 million. The increase in pre-tax loss of RM2.2 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 operating costs	(3.5)
Increase in other income	0.6
Decrease in profit from Associate	(0.3)
Decrease in finance costs	0.2
ii) <u>Malaysia</u>	
Increase in operating costs	(1.2)
Increase in other income	0.2
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	1.8
	<u>(2.2)</u>

##### Discontinued Operations

There was no revenue and profit or loss arising from discontinued operations for the current financial period because the sale of the People's Republic of China operations of which the exercise was completed on 30 October 2013 (note A9).

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

##### Continuing operations

For the current quarter ended 30 June 2014, the Group posted a revenue of RM10.0 million which was 2.9% lower than the revenue of RM10.3 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue decrease 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 loss of RM3.9 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM2.1 million. The increase in pre-tax loss of RM1.8 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 and increase in operating costs	(1.8)
Increase in other income	0.1
Decrease in profit from Associate	(0.1)
Decrease in finance costs	0.1
ii) <u>Malaysia</u>	
Increase in operating costs	(1.3)
Increase in other income	0.1
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	1.1
	<u>(1.8)</u>

##### Discontinued Operations

There was no revenue and profit or loss arising from discontinued operations for the current quarter because the sale of the People's Republic of China operations of which the exercise was completed on 30 October 2013 (note A9).

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

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 2.9% from RM10.3 million to RM10.0 million. The lower revenue was mainly due to revenue decrease from the warehousing & related value added services segment of the Group's operations in the People's Republic of China.

The Group recorded a pre-tax loss of RM3.9 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM2.4 million. The increase in pre-tax loss of RM1.5 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	(0.2)
Decrease in other income	(0.3)
ii) <u>Malaysia</u>	
Increase in operating costs	(1.5)
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	0.5
	<u>(1.5)</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 30.06.2014	Current financial year-to-date ended 30.06.2014
	RM'000	RM'000
Tax expense comprises :-		
Current income tax	2	139
Deferred tax	-	-
Tax expense for the financial period	<u>2</u>	<u>139</u>

### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial period ended 30 June 2014 are as follows:-

	Current financial quarter ended 30.06.2014	Current financial year-to-date ended 30.06.2014
	RM'000	RM'000
Loss before tax	<u>3,875</u>	<u>6,288</u>
Tax at Malaysian statutory tax rate of 25%	(969)	(1,572)
Different tax rates in other countries	56	143
Adjustments:		
Share of results of associates	(4)	(7)
Share of results of jointly controlled entities	424	975
Tax effect on non-taxable revenue	(144)	(279)
Tax effect on non-deductible expenses	616	860
Tax effect of withholding tax in foreign subsidiaries	4	8
Deferred tax assets not recognised during the financial year	37	3
Utilisation of deferred tax assets not recognised in prior financial years	(17)	9
Over provision in prior year		
- income tax	(1)	(1)
Income tax expense recognised in profit or loss	<u>2</u>	<u>139</u>

## B.6 Status of Corporate Proposals

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

## B.7 Group Borrowings and Debt Securities

	As at 30.06.2014	As at 30.06.2013
	RM'000	RM'000
<b>a. Short term borrowings</b>		
<b>Secured :-</b>		
Portion of term loans repayable within 12 months	1,527	27,344
<b>Unsecured :-</b>		
Loan from a non-controlling shareholder repayable within 12 months	25,631	13,114
	<u>27,158</u>	<u>40,458</u>
<b>b. Long term borrowings</b>		
<b>Secured :-</b>		
Portion of term loans repayable after 12 months	-	28,578
<b>Unsecured :-</b>		
Loan from a non-controlling shareholder repayable after 12 months	-	36,620
	<u>-</u>	<u>65,198</u>
<b>c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign currencies:-</b>		
	As at 30.06.2014	As at 30.06.2013
	RM'000	RM'000
(i) In Chinese Renminbi		
Portion of term loans repayable within 12 months	-	13,598
Portion of term loans repayable after 12 months	-	-
	<u>-</u>	<u>13,598</u>
(ii) In US Dollars		
Portion of term loans repayable within 12 months	1,527	13,746
Portion of term loans repayable after 12 months	-	28,578
	<u>1,527</u>	<u>42,324</u>
(iii) In Hong Kong Dollars		
Loan from a non-controlling shareholder repayable within 12 months	25,631	13,114
Loan from a non-controlling shareholder repayable after 12 months	-	36,620
	<u>25,631</u>	<u>49,734</u>

## B.8 Financial Instruments

### a. Derivatives

There were no outstanding derivatives (including instruments designated as hedging instruments) in the current financial quarter under review.

### b. Gains/(losses) arising from fair value changes in financial liabilities

There were no gain/(loss) arising from the fair value changes in financial liabilities in the current financial quarter under review.

## B.9 Material Litigation

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

## B.10 Dividend Payable

No dividend is payable as at the end of the financial quarter.

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

	Individual Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30.06.14	30.06.13	30.06.14	30.06.13
(Loss)/Profit attributable to owners of the Parent (RM'000)				
- From continuing operations	(3,660)	(2,462)	(6,102)	(4,856)
- From discontinued operations	-	774	-	842
	<u>(3,660)</u>	<u>(1,688)</u>	<u>(6,102)</u>	<u>(4,014)</u>
Weighted average number of ordinary shares for basic EPS ('000)	176,716	164,879	176,819	165,417
<b>Basic EPS (sen)</b>				
- From continuing operations	(2.1)	(1.5)	(3.5)	(2.9)
- From discontinued operations	-	0.5	-	0.5
	<u>(2.1)</u>	<u>(1.0)</u>	<u>(3.5)</u>	<u>(2.4)</u>

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

	As at 30.06.2014	As at 30.06.2013
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	78,775	57,912
- Unrealised	-	(1)
	<u>78,775</u>	<u>57,911</u>
Total share of retained earnings from associates		
- Realised	12,131	13,247
- Unrealised	(3,366)	(3,016)
	<u>8,765</u>	<u>10,231</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(22,295)	(13,107)
- Unrealised	-	-
	<u>(22,295)</u>	<u>(13,107)</u>
Less : Consolidation adjustments	13,406	14,505
Total retained earnings of the Group	<u>78,651</u>	<u>69,540</u>

## B.13 Loss Before Tax

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

	Current financial quarter ended 30.06.2014	Current financial year-to-date ended 30.06.2014
	RM'000	RM'000
Depreciation of property, plant and equipment	456	917
Amortisation of land use rights	82	166
Auditors' remuneration	34	68
Directors' remuneration		
- fees	79	159
- other emoluments	466	1,009
Gain on disposal of property, plant and equipment	(29)	(61)
Rental of premises, land and buildings	2,543	5,129
Rental of equipment	3	6
Staff costs		
- Contribution to defined contribution plan	17	34
- Salaries and others	2,001	4,090
Interest expense	225	478
Interest income	(725)	(1,767)

**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 August 2014**