

Company No.

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KONSORTIUM LOGISTIK BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

30 SEPTEMBER 2009

KONSORTIUM LOGISTIK BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET
Interim Report for the Period Ended 30 September 2009
The figures have not been audited.

	As at 30/9/2009 RM'000	As at 31/12/2008 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	209,985	195,457
Investment property	20,000	20,000
Prepaid lease payments	28,037	30,840
Goodwill	11,883	11,883
Investments in associates	24,363	25,345
Long term investments	16,682	8,989
Deferred tax assets	2,755	2,987
	<u>313,705</u>	<u>295,501</u>
Current Assets		
Consumable stores, at cost	86	144
Trade receivables	93,658	86,889
Other receivables	50,759	34,159
Amount due from associates	17,634	17,717
Current tax assets	3,318	5,856
Deposits, bank and cash balances	26,673	23,310
	<u>192,128</u>	<u>168,075</u>
TOTAL ASSETS	<u>505,833</u>	<u>463,576</u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share Capital	240,719	240,719
Reserves attributable to capital	74,485	74,485
Treasury shares	(13,090)	(14,620)
Reserves attributable to revenue	(10,962)	(12,278)
Retained profits	25,319	19,206
	<u>316,471</u>	<u>307,512</u>
Minority Interests	(2,869)	(1,848)
Total equity	<u>313,602</u>	<u>305,664</u>
LIABILITIES		
Non-current liabilities		
Borrowings	40,241	23,320
Provision for retirement benefits	1,923	1,954
Deferred tax liabilities	6,060	6,725
	<u>48,224</u>	<u>31,999</u>
Current Liabilities		
Trade payables	51,058	47,994
Other payables	33,229	34,738
Borrowings	59,195	42,397
Provision for taxation	525	784
	<u>144,007</u>	<u>125,913</u>
Total Liabilities	<u>192,231</u>	<u>157,912</u>
TOTAL EQUITY AND LIABILITIES	<u>505,833</u>	<u>463,576</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.39	1.35

This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

KONSORTIUM LOGISTIK BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENT
Interim Report for the Period Ended 30 September 2009

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 September 2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2008 RM'000	CURRENT YEAR ENDED 30 September 2009 RM'000	PRECEDING YEAR CORRESPONDING ENDED 30 September 2008 RM'000
Revenue	61,347	70,690	171,005	204,200
Operating Expenses	(50,762)	(65,061)	(141,922)	(182,768)
Other income	564	2,536	4,174	5,913
Profit from operations	11,149	8,165	33,257	27,345
Finance cost	(1,894)	(1,025)	(5,009)	(3,083)
Share of profit of associates	(261)	671	(633)	1,984
Profit before taxation	8,994	7,811	27,615	26,246
Taxation	(2,347)	(2,005)	(6,760)	(6,494)
Profit for the period	6,647	5,806	20,855	19,752
Attributable to :				
Equity holders of the parent	7,084	6,008	21,876	20,399
Minority Interest	(437)	(202)	(1,021)	(647)
	6,647	5,806	20,855	19,752
Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	3.11	2.59	9.61	8.81
- Diluted	NA	NA	NA	NA

This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

KONSORTIUM LOGISTIK BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Interim Report for the Period Ended 30 September 2009

The figures have not been audited.

	Attributable to equity holders of the Company					Minority Interest	Total Equity	
	Share Capital	Share Premium	Treasury Shares	Exchange translation reserves	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2008	240,719	74,485	-	(9,727)	10,915	316,392	(979)	315,413
Foreign currency translations	-	-	-	(2,551)	0	(2,551)	-	(2,551)
Loss recognised directly in equity	-	-	-	(2,551)	-	(2,551)	-	(2,551)
Profit for the financial year	-	-	-	-	22,188	22,188	(869)	21,319
Total recognised income and expenses for the financial year	-	-	-	(2,551)	22,188	19,637	(869)	18,768
Purchase of Company's own shares	-	-	(14,620)	-	-	(14,620)	-	(14,620)
Dividends	-	-	-	-	(13,897)	(13,897)	-	(13,897)
Balance as at 31 December 2008	240,719	74,485	(14,620)	(12,278)	19,206	307,512	(1,848)	305,664
Balance as at 1 January 2009	240,719	74,485	(14,620)	(12,278)	19,206	307,512	(1,848)	305,664
Foreign currency translations	-	-	-	1,316	-	1,316	-	1,316
Gain recognised directly in equity	-	-	-	1,316	-	1,316	-	1,316
Purchase of Company's own shares	-	-	(7,625)	-	-	(7,625)	-	(7,625)
Profit for the period	-	-	-	-	21,876	21,876	(1,021)	20,855
Total recognised income and expenses for the financial year	-	-	(7,625)	1,316	21,876	15,567	(1,021)	14,546
Dividends in share	-	-	9,155	-	(9,155)	-	-	-
Dividends in cash	-	-	-	-	(6,608)	(6,608)	-	(6,608)
Balance as at 30 September 2009	240,719	74,485	(13,090)	(10,962)	25,319	316,471	(2,869)	313,602

This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

KONSORTIUM LOGISTIK BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Interim Report for the Period Ended 30 September 2009
The figures have not been audited.

	9 months ended 30 September 2009 RM'000	9 months ended 30 September 2008 RM'000
Cash flows from operating activities		
Cash receipts from operations	150,757	220,364
Cash payments to suppliers and employees	(117,803)	(185,107)
Interest paid	(5,009)	(3,083)
Net Tax paid and recovered	(4,914)	(7,412)
<i>Net cash generated from operating activities</i>	<u>23,031</u>	<u>24,762</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,171)	(22,007)
Purchase of quoted shares and other investments	(8,170)	(172)
Proceeds from disposal of quoted/unquoted shares and other investment	523	919
Proceeds from disposal of property, plant and equipment	32	10,102
Proceeds from disposal of subsidiaries	-	5,400
Purchase of subsidiary	-	(6,000)
Interest received	176	232
Repayment advance from associate	83	472
<i>Net cash used in investing activities</i>	<u>(39,527)</u>	<u>(11,054)</u>
Cash flows from financing activities		
Dividend paid	(6,608)	(34,984)
Dividend received	387	492
Proceeds from term loans and other bank borrowings	43,340	14,160
Repayment of loans and other bank borrowings	(11,765)	(10,335)
Proceeds from hire purchase	6,134	8,000
Repayment of hire purchase creditors	(3,990)	(3,116)
Shares repurchased	(7,625)	(10,128)
Restricted cash	460	(2,842)
<i>Net cash from/(used in) financing activities</i>	<u>20,333</u>	<u>(38,753)</u>
Effects of exchange rate changes on cash and cash equivalents	(14)	(30)
Net increase/(decreased) in cash and cash equivalents	3,823	(25,075)
Cash and cash equivalents brought forward	<u>14,844</u>	<u>41,775</u>
Cash and cash equivalents carried forward	<u><u>18,667</u></u>	<u><u>16,700</u></u>
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	18,567	16,599
Deposits with licensed banks	8,106	9,271
	<u>26,673</u>	<u>25,870</u>
Less: Restricted cash	(8,006)	(9,170)
Cash and cash equivalents	<u><u>18,667</u></u>	<u><u>16,700</u></u>

This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

A1. BASIS OF PREPARATION

The quarterly interim financial report is unaudited and has been prepared in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

A2. REPORT OF THE AUDITORS TO THE MEMBERS OF KONSORTIUM

The reports of the auditors to the members of Konsortium and its subsidiary companies on the financial statements for the financial year ended 31 December 2008 were not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

A3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's core businesses are generally affected by the festive months which normally record higher volume of activities in haulage, freight forwarding and warehousing.

A4. EXCEPTIONAL AND/OR EXTRAORDINARY ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2009.

A5. MATERIAL EFFECT OF CHANGES IN ESTIMATES

There were no changes in estimates used for accounting estimates which may have a material effect for the current quarter under review.

A6. DEBT AND EQUITY SECURITIES

During the current nine months period, the Company repurchased a total of 7,762,300 ordinary shares of RM1.00 each from the open market for a total consideration of RM7,775,473. The repurchased transactions were financed by internally generated funds and external borrowings. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

During the financial period, the Company has sold a total of 120,000 ordinary shares of RM1.00 each to the open market for a total consideration of RM149,984.

There were no issuances, cancellations and repayment of debt and equity securities during the current quarter ended 30 September 2009.

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KONSORTIUM LOGISTIK BERHAD

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

A7. DIVIDEND PAID

In respect of financial year ended 31 December 2008, an interim gross dividend of one (1) treasury share for every twenty five (25) existing ordinary shares of RM1 each, amounting to RM9,155,508 was distributed on 31 March 2009.

In respect of financial year ended 31 December 2008, a final gross dividend of 4 sen per ordinary share, less tax at 25%, amounting to RM6,608,396 was paid on 10 September 2009.

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 30 September 2009 by business segments are as follows:

	<u>Logistics Service Organisation</u> RM'000	<u>Internal & External Affiliates</u> RM'000	<u>Shared Service Organisation</u> RM'000	<u>Consol Adjustment</u> RM'000	<u>Group Results</u> RM'000
<u>Revenue</u>					
External sales	91,147	79,858	-	-	171,005
Inter-segment sales	-	4,827	-	(4,827)	-
Total revenue	<u>91,147</u>	<u>84,685</u>	<u>-</u>	<u>(4,827)</u>	<u>171,005</u>
<u>Profit</u>					
Segment results	33,034	5,766	(2,543)	-	33,257
Finance costs					(5,009)
Share of results of associates					(633)
Profit from ordinary activities before taxation before tax					<u>27,615</u>
Taxation					(6,760)
Profit from ordinary activities after tax					<u>20,855</u>
Minority interest					1,021
Net profit for the period					<u>21,876</u>

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment during the financial quarter under review.

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KONSORTIUM LOGISTIK BERHAD

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

A10. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There were no material events subsequent to the balance sheet date that have not been reported in the financial statements.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the financial quarter under review.

The Company had on 30 April 2009 entered into an Agreement for the sales & purchase of shares with Qteam Sdn Bhd to dispose of the entire share held in Fleet Engineering Services Sdn Bhd ("Fleet"), being the wholly owned subsidiaries of Konsortium, for a total cash consideration of RM1,500,000.

A12. CONTINGENT LIABILITIES

Corporate guarantees to financial institutions for facilities granted to subsidiary companies amounted to RM30 million.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. TAXATION

	<u>Current Quarter</u> <u>30/09/2009</u> RM'000	<u>Cumulative Quarter</u> <u>30/09/2009</u> RM'000
Taxation		
- income tax	2,602	6,528
- deferred taxation	(255)	232
	<u>2,347</u>	<u>6,760</u>

B2. UNQUOTED INVESTMENT AND PROPERTIES

During the quarter ended 30 September 2009, Konsortium had completed the disposal of its properties at PLO No. 492, Sri Gading, Industrial Area, Simpang Kanan, Batu Pahat, Johor Darul Takzim with a consideration of RM1,000,000. The gain arising from the disposal was approximately RM136,000.

Other than the above, there was no sale or purchase of unquoted investments or properties during the current quarter ended 30 September 2009.

B3. QUOTED SECURITIES

The Group's quoted investments as at 30 September 2009 are as follows:

	<u>RM'000</u>
Cost	15,743
Carrying value/book value	15,743
Market value	20,198

During the financial period, the Group had purchased quoted shares for a total consideration of RM8,170,074.

During the financial period, Konsortium had disposed of its quoted shares for a cash consideration of RM523,252.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B4. BANK BORROWINGS

Details of the Group's borrowings as at 30 September 2009 are as follows:

	<u>30 September 2009</u>		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Current</u>			
Term loans	14,933	600	15,533
Revolving credit	17,000	12,500	29,500
Banker acceptance	5,282	-	5,282
Hire purchase and finance lease liabilities	8,880	-	8,880
	<u>46,095</u>	<u>13,100</u>	<u>59,195</u>
<u>Non Current</u>			
Term loans	26,903	300	27,203
Hire purchase and finance lease liabilities	13,038	-	13,038
	<u>39,941</u>	<u>300</u>	<u>40,241</u>

B5. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the financial period to-date, the Group did not enter into any contracts involving off-balance sheet financial instruments.

B6. MATERIAL LITIGATION

The Group is not involved in any claim or legal action that will have a material effect on the Group's financial position, results of operations or liquidity.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B7. REVIEW OF PERFORMANCE

The Group's Revenue for the current financial quarter ending 30 September, 2009 was RM61.3Mil as compared to RM70.7Mil achieved in the previous corresponding quarter. The year to date September, 2009 Group's Revenue was RM171Mil against RM204.2Mil achieved in the previous corresponding period, a decline of 16.3%. Despite an improvement in business activities achieved across our logistics supply chain during Quarter 3, 2009, the revenue still fell short with the Container Haulage division suffering the biggest shortfall due to lower container movements for both imports and exports.

Nevertheless, the Group's effort in improving the costs efficiencies and process productivities ensured that the Group remained resilient to the current economic environment. This has mitigated the decline in Revenue and brought about an improvement in costs savings resulting in higher EBITDA and Profits before Tax for the quarter ending September, 2009 of RM15.1Mil and RM9.0Mil respectively, an improvement of 25.2% and 15.1% over the previous corresponding quarter in the last financial year.

The year to date September, 2009 EBITDA and Profits before Tax were RM44.9Mil and RM27.6Mil respectively, an improvement of 16.3% and 5.2% over the previous corresponding periods of the last financial year.

B8. QUARTERLY RESULTS COMPARISON

The Revenue recorded in Quarter 3, 2009 amounted to RM61.3Mil, an improvement of 6.6% over the last quarter. The slight economic recovery seen in Quarter 3, 2009 saw an improvement in the logistics supply chain activities that resulted in higher revenue for the Group.

B9. PROSPECT

Although there are signs of economic recoveries, the market conditions generally remain weak. As a logistic service provider, our Group Revenue is largely dependent on the business activities generated across the various industrial sectors.

Nevertheless, while the Group continues to focus internally in ensuring cost efficiencies and productivity to maintain its margins and profits, our sales and marketing teams are actively seeking for new customer base and projects. We believe that with our lean cost structures and effective planning processes, we can offer competitive logistics solutions to our customers.

B10 VARIANCE ON PROFIT FORECAST/ SHORTFALL IN PROFIT GUARANTEE

Not applicable.

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KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B11. DIVIDEND

The Board has declared an interim share dividend on the basis of one (1) treasury share for every thirty three (33) existing ordinary shares of RM1 each held in the Company, fractions of treasury shares to be disregarded ("Share Dividend") in respect of the financial year ending 31 December 2009. The date of crediting the share dividend is on 8 October 2009.

B12. EARNINGS PER SHARE

	9 months ended 30 September 09	9 months ended 30 September 08
Net profit for the period (RM'000)	21,876	20,399
Issued ordinary shares at beginning of period ('000)	240,719	240,719
Treasury share	(12,975)	(9,094)
	<u>227,744</u>	<u>231,625</u>
Basic earnings per share (sen)	9.61	8.81