

Company No.

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**KONSORTIUM LOGISTIK BERHAD**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORTS**

**31 MARCH 2010**

**KONSORTIUM LOGISTIK BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**Interim Report for the Period Ended 31 March 2010**

*The figures have not been audited.*

	As at 31/3/2010 RM'000	As at 31/12/2009 RM'000 (Restated)
<b>ASSETS</b>		
Non-current Assets		
Property, plant and equipment	221,554	216,736
Investment property	20,000	20,000
Prepaid lease payments	27,713	27,875
Goodwill	11,883	11,883
Investments in associates	42,708	42,556
Available -for-sale financial assets	26,200	18,047
Long term investments	932	943
Deferred tax assets	2,216	2,050
	<u>353,206</u>	<u>340,091</u>
Current Assets		
Consumable stores, at cost	34	37
Trade receivables	110,167	98,909
Other receivables	49,338	47,728
Current tax assets	2,672	4,244
Deposits, bank and cash balances	33,092	38,908
	<u>195,303</u>	<u>189,826</u>
<b>TOTAL ASSETS</b>	<u><b>548,509</b></u>	<u><b>529,917</b></u>
<b>EQUITY</b>		
Capital and reserves attributable to the Company's equity holders		
Share Capital	240,719	240,719
Reserves attributable to capital	58,396	58,396
Treasury shares	(9,529)	(8,042)
Available for sales	2,258	1,890
Reserves attributable to revenue	(10,239)	(10,239)
Retained profits	47,291	37,199
	<u>328,896</u>	<u>319,923</u>
Minority Interests	2,749	(3,553)
Total equity	<u>331,645</u>	<u>316,370</u>
<b>LIABILITIES</b>		
Non-current liabilities		
Borrowings	44,749	41,233
Provision for retirement benefits	1,940	1,915
Deferred tax liabilities	4,226	4,637
	<u>50,915</u>	<u>47,785</u>
Current Liabilities		
Trade payables	69,075	68,008
Other payables	30,270	35,935
Borrowings	63,387	58,836
Provision for taxation	3,217	2,983
	<u>165,949</u>	<u>165,762</u>
Total Liabilities	<u>216,864</u>	<u>213,548</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>548,509</b></u>	<u><b>529,918</b></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.43	1.38

*This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.*

**KONSORTIUM LOGISTIK BERHAD**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**Interim Report for the Period Ended 31 March 2010**

*The figures have not been audited.*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD	PRECEDING PERIOD CORRESPONDING QUARTER	CURRENT PERIOD ENDED	PRECEDING PERIOD CORRESPONDING ENDED
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Revenue	71,692	52,101	71,692	52,101
Operating Expenses	(57,513)	(44,895)	(57,513)	(44,895)
Other income	424	1,348	424	1,348
Profit from operations	14,603	8,555	14,603	8,555
Finance cost	(1,751)	(1,484)	(1,751)	(1,484)
Share of profit of associates	485	(378)	485	(378)
Profit before taxation	13,337	6,692	13,337	6,692
Taxation	(3,393)	(1,522)	(3,393)	(1,522)
<b>Profit for the period</b>	<b>9,944</b>	<b>5,170</b>	<b>9,944</b>	<b>5,170</b>
Other comprehensive income/(loss)				
Net gain/(loss) on revaluation of financial investments available for sale	368	(6,612)	368	(6,612)
<b>Total comprehensive income/(loss)</b>	<b>10,312</b>	<b>(1,442)</b>	<b>10,312</b>	<b>(1,442)</b>
<b>Total profit attributable to :</b>				
Equity holders of the parent	10,092	5,360	10,092	5,360
Minority Interest	(148)	(190)	(148)	(190)
	<b>9,944</b>	<b>5,170</b>	<b>9,944</b>	<b>5,170</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	10,460	(1,252)	10,460	(1,252)
Minority Interest	(148)	(190)	(148)	(190)
	<b>10,312</b>	<b>(1,442)</b>	<b>10,312</b>	<b>(1,442)</b>
Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	4.35	2.29	4.35	2.29
- 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 2009.*

**KONSORTIUM LOGISTIK BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Interim Report for the Period Ended 31 March 2010**

*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	Available for sales reserves	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As 1 January 2010</b>									
- as previously stated	240,719	58,396	(8,042)	(10,239)	-	37,330	318,164	(3,553)	314,611
- effective of adopting FRS 139	-	-	-	-	1,890	(131)	1,759	-	1,759
<b>As 1 January 2010, restated</b>	240,719	58,396	(8,042)	(10,239)	1,890	37,199	319,923	(3,553)	316,370
Other comprehensive income	-	-	-	-	368	-	368	-	368
Profit/(Loss) for the financial year	-	-	-	-	-	10,092	10,092	(148)	9,944
Total recognised income and expenses for the financial year	-	-	-	-	368	10,092	10,460	(148)	10,312
Purchase of Company's own shares	-	-	(1,487)	-	-	-	(1,487)	-	(1,487)
Additional investment in a subsidiary							-	6,450	6,450
<b>As at 31 March 2010</b>	240,719	58,396	(9,529)	(10,239)	2,258	47,291	328,895	2,749	331,645
<b>As at 1 January 2009</b>									
- as previously stated	240,719	74,485	(14,620)	(12,278)	-	19,206	307,512	(1,848)	305,664
- effective of adopting FRS 139	-	-	-	-	(364)	(466)	(830)	-	(830)
<b>As 1 January 2009, restated</b>	240,719	74,485	(14,620)	(12,278)	(364)	18,740	306,682	(1,848)	304,834
Foreign currency translations	-	-	-	269	-	-	269	-	269
Loss recognised directly in equity	-	-	-	269	-	-	269	-	269
Other comprehensive loss	-	-	-	-	(6,612)	-	(6,612)	-	(6,612)
Profit/(Loss) for the financial year	-	-	-	-	-	5,360	5,360	(191)	5,169
Total recognised income and expenses for the financial year	-	-	-	269	(6,612)	5,360	(983)	(191)	(1,174)
Purchase of Company's own shares	-	-	(1,222)	-	-	-	(1,222)	-	(1,222)
Dividends	-	(9,156)	9,156	-	-	-	-	-	-
<b>As at 31 March 2009</b>	240,719	65,329	(6,686)	(12,009)	(6,976)	24,100	304,477	(2,039)	302,438

*This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009*

**KONSORTIUM LOGISTIK BERHAD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**Interim Report for the Period Ended 31 March 2010**

*The figures have not been audited.*

	3 months ended 31 March 2010 RM'000	3 months ended 31 March 2009 RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from operations	59,092	69,394
Cash payments to suppliers and employees	(48,374)	(61,680)
Interest paid	(1,751)	(1,484)
Net Tax paid and recovered	(2,164)	(301)
<i>Net cash generated from operating activities</i>	6,803	5,929
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,469)	(59)
Purchase of quoted shares and other investments	(8,318)	(7,634)
Proceeds from disposal of quoted shares	678	-
Proceeds from disposal of property, plant and equipment	13	-
Interest received	79	65
Advance to associate	(18)	(4)
<i>Net cash used in investing activities</i>	(10,035)	(7,632)
<b>Cash flows from financing activities</b>		
Dividend received	350	1
Proceeds from term loans and other bank borrowings	10,228	11,529
Repayment of loans and other bank borrowings	(8,544)	(5,266)
Repayment of hire purchase creditors	(2,065)	(1,422)
Shares repurchased	(1,486)	(1,222)
Restricted cash	(144)	(38)
<i>Net cash from financing activities</i>	(1,661)	3,582
Effects of exchange rate changes on cash and cash equivalents	(14)	(14)
<b>Net increase/(decreased) in cash and cash equivalents</b>	(4,907)	1,865
<b>Cash and cash equivalents brought forward</b>	29,389	14,844
<b>Cash and cash equivalents carried forward</b>	24,482	16,709
<b><i>Cash and cash equivalents comprise:</i></b>		
Cash and bank balances	24,482	16,610
Deposits with licensed banks	8,610	8,604
	33,092	25,214
Less: Restricted cash	(8,610)	(8,505)
Cash and cash equivalents	24,482	16,709

*This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.*

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## KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

### A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### 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.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following.

<b>FRSs/Interpretations</b>	<b>Effective date</b>
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segment</i>	1 July 2009
FRS 101, <i>Presentation of Financial Statements</i>	1 January 2010
FRS 123, <i>Borrowing Costs</i>	1 January 2010
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation</i> and Amendments to FRS 139, <i>Financial Instruments: Recognition and Measurement</i> , FRS 7, <i>Financial Instruments: Disclosures</i> and IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 11, FRS 2 – <i>Group and Treasury Share Transactions</i>	1 January 2010
Amendments to FRS 2, <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 13 <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14, FRS 119 – <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2010

Other than the implications as discussed below, the adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

- a) FRS 139 Financial Instruments: Recognition and Measurement, Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives, and Amendments to FRS 139 Financial Instruments: Recognition and Measurement

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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

The adoption of FRS 139 does not have any significant impact on the financial instrument except as discuss below which resulted in adjustments to opening reserves of the Group are as follows:

	<b>Group RM'000</b>
Effective on retained profits:	
At 1 January 2010, as previously stated	37,330
Effective of adoption of FRS 139	<u>(131)</u>
At January 2010, as restated	<u>37,199</u>
Effective available for sale reserve:	
At 1 January 2010, as previously stated	-
Effective of adoption of FRS 139	<u>1,890</u>
At January 2010, as restated	<u>1,890</u>

b) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

c) Comparative figures

FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Group for the comparative financial period ended 31 March 2009 have been re-presented as two separate statements, ie. an income statement displaying components of profit or loss and a statement of comprehensive income. All non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact on earnings per ordinary share.

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 2009 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.

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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

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 31 March 2010.

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 year, the Company repurchased a total of 1,158,100 ordinary shares of RM1.00 each from the open market for a total consideration of RM1,486,028. 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.

There were no issuances, cancellations and repayment of debt and equity securities during the current quarter ended 31 March 2010.

A7. DIVIDEND PAID

No dividend was paid during the quarter ended 31 March 2010.

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 31 March 2010 by operating segments are as follows:

	<u>Logistics Service Organisation</u> RM'000	<u>Internal &amp; External Affiliates</u> RM'000	<u>Shared Service Organisation</u> RM'000	<u>Consol Adjustment</u> RM'000	<u>Group Results</u> RM'000
<b><u>Revenue</u></b>					
External sales	41,920	29,772	-	-	71,692
Inter-segment sales	-	2,171	-	(2,171)	-
Total revenue	<u>41,920</u>	<u>31,943</u>	<u>-</u>	<u>(2,171)</u>	<u>71,692</u>
<b><u>Profit</u></b>					
Segment results	12,787	2,879	(1,063)	-	14,603
Finance costs					(1,751)
Share of results of associates					485
Profit from ordinary activities before taxation before tax					13,337
Taxation					(3,393)
Profit from ordinary activities after tax					9,944
Minority interest					148
Net profit for the period					<u>10,092</u>



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## **KONSORTIUM LOGISTIK BERHAD**

(Incorporated in Malaysia)

### A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

#### 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.

#### A12. CONTINGENT LIABILITIES

Corporate guarantees to financial institutions for facilities granted to subsidiary company amounted to RM12 million.

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## KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

### B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

#### B1. TAXATION

	<u>Current Quarter</u> <u>31/3/2010</u> RM'000	<u>Cumulative Quarter</u> <u>31/3/2010</u> RM'000
Taxation		
- income tax	4,036	4,036
- deferred taxation	(643)	(643)
	<u>3,393</u>	<u>3,393</u>

#### B2. UNQUOTED INVESTMENT AND PROPERTIES

There was no sale or purchase of unquoted investments or properties during the period ended 31 March 2010.

#### B3. QUOTED SECURITIES

The Group's quoted investments as at 31 March 2010 are as follows:

Available-for-sale financial assets	<u>RM'000</u> 26,200
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During the financial period, the Group had purchased quoted shares for a total consideration of RM8,317,739.

During the financial period, Konsortium had disposed of its quoted shares for a cash consideration of RM678,176.

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## KONSORTIUM LOGISTIK BERHAD

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### B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

#### B4. BANK BORROWINGS

Details of the Group's borrowings as at 31 March 2010 are as follows:

	31 March 2010		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<b><u>Current</u></b>			
Term loans	19,491	-	19,491
Revolving credit	17,000	7,000	24,000
Hire purchase and finance lease liabilities	9,668	-	9,668
Bankers acceptance	10,228	-	10,228
	<u>56,387</u>	<u>7,000</u>	<u>63,387</u>
<b><u>Non Current</u></b>			
Term loans	26,014	-	26,014
Hire purchase and finance lease liabilities	18,735	-	18,735
	<u>44,749</u>	<u>-</u>	<u>44,749</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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## **KONSORTIUM LOGISTIK BERHAD**

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### **B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

#### **B7. REVIEW OF PERFORMANCE**

The Group's Revenue for the current financial quarter ended 31 March 2010 was RM71.7Mil, as compared to RM52.1Mil, an increase of 38% over the previous corresponding quarter.

The increase in overall revenue and the prudent cost savings initiatives have resulted in the Group achieving higher Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Profits before Tax for the quarter ended 31 March 2010 of RM19Mil and RM13.3Mil respectively, an increase of 52% and 102% over the previous corresponding quarter.

#### **B8. QUARTERLY RESULTS COMPARISON**

The continue improvements in economic activities across the industries has resulted in the Group achieving higher Revenue in Quarter 1, 2010 of RM71.7Mil, as compared to RM68.1Mil achieved in Quarter 4, 2009. The Profits before Tax has also increased from RM4.2Mil recorded in Quarter 4, 2009 to RM13.3Mil in Quarter 1, 2010.

#### **B9. PROSPECT**

The Group is expected to ride positively on the economic recovery in 2010 as a result of its focuses on the core operational efficiencies and competencies. With an improving business environment, this allows the Group to expand further into current and new businesses providing competitive logistics solutions.

The prospect for 2010 remains positive with the Logistics Services Organisation continuing to drive the Group's growth, while the Internal Affiliates Organisations provide cost effective services. The Group is confident of achieving good returns to shareholders' funds in 2010

#### **B10 VARIANCE ON PROFIT FORECAST/ SHORTFALL IN PROFIT GUARANTEE**

Not applicable.

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(Incorporated in Malaysia)

### B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

#### B11. DIVIDEND

The Board recommends a final dividend of 8 sen per ordinary share, less tax, amounting to RM13,983,498 in respect of the financial year ended 31 December 2009, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

#### B12. EARNINGS PER SHARE

	<b>3 months ended 31 March 10</b>	<b>3 months ended 31 March 09</b>
Net profit for the year (RM'000)	10,092	5,360
Issued ordinary shares at beginning of period ('000)	240,719	240,719
Treasury share	(8,819)	(6,855)
	<hr/>	<hr/>
	231,900	233,864
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Weighted Average Shares	232,025	234,050
Basic earnings per share (sen)	4.35	2.29