

Company No.

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010**

**KONSORTIUM LOGISTIK BERHAD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2010**

*The figures have not been audited.*

	As at 31/12/2010 RM'000	As at 31/12/2009 RM'000 (Restated)
<b>ASSETS</b>		
Non-current Assets		
Property, plant and equipment	235,583	244,611
Investment property	15,000	20,000
Goodwill	11,883	11,883
Investments in associates	20,201	42,556
Available -for-sale financial assets	12,588	18,047
Long term investments	812	943
Deferred tax assets	2,265	2,050
	<u>298,332</u>	<u>340,090</u>
Current Assets		
Consumable stores, at cost	67	37
Trade receivables	70,949	98,909
Other receivables	16,450	47,728
Current tax assets	3,720	4,244
Deposits, bank and cash balances	73,183	38,908
	<u>164,369</u>	<u>189,826</u>
Non-current assets classified as held for sale	475	-
<b>TOTAL ASSETS</b>	<u>463,176</u>	<u>529,916</u>
<b>EQUITY</b>		
Capital and reserves attributable to the Company's equity holders		
Share Capital	240,719	240,719
Reserves attributable to capital	51,923	58,396
Treasury shares	(5,436)	(8,042)
Available for sales	610	1,890
Reserves attributable to revenue	(1,458)	(10,239)
Retained profits	(30,856)	37,199
	<u>255,502</u>	<u>319,923</u>
Minority Interests	-	(3,553)
<b>Total equity</b>	<u>255,502</u>	<u>316,370</u>
<b>LIABILITIES</b>		
Non-current liabilities		
Borrowings	36,003	41,233
Provision for retirement benefits	1,856	1,915
Deferred tax liabilities	3,340	4,637
	<u>41,199</u>	<u>47,785</u>
Current Liabilities		
Trade payables	47,892	68,008
Other payables	44,718	35,934
Dividend payables	30,076	-
Borrowings	43,727	58,836
Provision for taxation	62	2,983
	<u>166,475</u>	<u>165,761</u>
<b>Total Liabilities</b>	<u>207,674</u>	<u>213,546</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>463,176</u>	<u>529,916</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.08	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**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010**

*The figures have not been audited.*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31 December 2010 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31 December 2009 RM'000	CURRENT PERIOD ENDED 31 December 2010 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 31 December 2009 RM'000
Revenue	65,412	68,130	294,428	239,135
Operating Expenses	(64,508)	(62,468)	(250,433)	(204,390)
Other income	1,037	(582)	2,520	3,592
Profit/(Loss) from operations	1,941	5,080	46,515	38,337
Other non operating expenses	(23,633)	-	(57,160)	-
Finance cost	(1,313)	(1,693)	(6,479)	(6,702)
Share of profit of associates	-	853	1,108	220
Profit/(Loss) before taxation	(23,005)	4,240	(16,016)	31,855
Taxation	479	(1,821)	(8,296)	(8,581)
<b>Profit/(Loss) for the period</b>	<b>(22,526)</b>	<b>2,419</b>	<b>(24,312)</b>	<b>23,274</b>
<b>Total profit/(loss) attributable to :</b>				
Equity holders of the parent	(22,526)	3,103	(24,164)	24,979
Minority Interest	-	(684)	(148)	(1,705)
	<b>(22,526)</b>	<b>2,419</b>	<b>(24,312)</b>	<b>23,274</b>
Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	(9.52)	1.35	(10.21)	10.90
- 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**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2010**

*The figures have not been audited.*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31 December 2010 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31 December 2009 RM'000	CURRENT PERIOD ENDED 31 December 2010 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 31 December 2009 RM'000
Profit/(Loss) for the period	(22,526)	2,419	(24,312)	23,274
Net gain/(loss) on revaluation of financial investments available for sale	2,330	-	(1,280)	-
<b>Total comprehensive income</b>	<b>(20,196)</b>	<b>2,419</b>	<b>(25,592)</b>	<b>23,274</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	(20,196)	3,103	(25,444)	24,979
Minority Interest	-	(684)	(148)	(1,705)
	<b>(20,196)</b>	<b>2,419</b>	<b>(25,592)</b>	<b>23,274</b>

*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**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE TWELVE MONTHS ENDED 31 DECEMBER 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
Foreign currency translations	-	-	-	8,781	-	-	8,781	-	8,781
Gain recognised directly in equity	-	-	-	8,781	-	-	8,781	-	8,781
Other comprehensive income	-	-	-	-	(1,280)	-	(1,280)	-	(1,280)
Profit/(Loss) for the financial year	-	-	-	-	-	(24,164)	(24,164)	(148)	(24,312)
Total recognised income and expenses for the financial year	-	-	-	8,781	(1,280)	(24,164)	(16,663)	(148)	(16,811)
Dividends in share	-	(6,473)	6,473	-	-	-	-	-	-
Dividends in cash	-	-	-	-	-	(43,891)	(43,891)	-	(43,891)
Purchase of Company's own shares	-	-	(3,867)	-	-	-	(3,867)	-	(3,867)
Additional investment in a subsidiary	-	-	-	-	-	-	-	6,450	6,450
Acquisition of a subsidiary	-	-	-	-	-	-	-	(2,749)	(2,749)
<b>As at 31 December 2010</b>	<b>240,719</b>	<b>51,923</b>	<b>(5,436)</b>	<b>(1,458)</b>	<b>610</b>	<b>(30,856)</b>	<b>255,502</b>	<b>-</b>	<b>255,502</b>
<b>As at 1 January 2009</b>	240,719	74,485	(14,620)	(12,278)	-	19,206	307,512	(1,848)	305,664
Foreign currency translations	-	-	-	2,039	-	-	2,039	-	2,039
Loss recognised directly in equity	-	-	-	2,039	-	-	2,039	-	2,039
Profit/(Loss) for the financial year	-	-	-	-	-	24,979	24,979	(1,705)	23,274
Total recognised income and expenses for the financial year	-	-	-	2,039	-	24,979	27,018	(1,705)	25,313
Purchase of Company's own shares	-	-	(9,511)	-	-	-	(9,511)	-	(9,511)
Dividends in shares	-	(16,089)	16,089	-	-	-	-	-	-
Dividends in cash	-	-	-	-	-	(6,855)	(6,855)	-	(6,855)
<b>As at 31 December 2009</b>	<b>240,719</b>	<b>58,396</b>	<b>(8,042)</b>	<b>(10,239)</b>	<b>-</b>	<b>37,330</b>	<b>318,164</b>	<b>(3,553)</b>	<b>314,611</b>

*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**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010**

*The figures have not been audited.*

	12 months ended 31 December 2010 RM'000	12 months ended 31 December 2009 RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from operations	335,430	220,328
Cash payments to suppliers and employees	(250,709)	(165,320)
Interest paid	(6,479)	(6,702)
Net Tax paid and recovered	(12,205)	(5,918)
<i>Net cash generated from operating activities</i>	<u>66,037</u>	<u>42,388</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,750)	(4,354)
Purchase of quoted shares and other investments	(8,498)	(8,657)
Proceeds from disposal of quoted/unquoted and other investments	13,267	596
Proceeds from disposal of property, plant and equipment	8,660	3,662
Disposal of a subsidiary	-	(44)
Proceeds from minority	6,450	-
Proceeds from associate	5,141	-
Interest received	383	212
(Repayment from)/Advance to associate	(152)	137
<i>Net cash generated from(used in) investing activities</i>	<u>20,501</u>	<u>(8,448)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(13,815)	(6,855)
Dividend received	758	738
Proceeds from term loans and other bank borrowings	5,000	18,172
Repayment of loans and other bank borrowings	(29,618)	(15,124)
Repayment of hire purchase creditors	(9,670)	(6,922)
Shares repurchased	(3,867)	(9,511)
Restricted cash	(9)	(445)
<i>Net cash used in financing activities</i>	<u>(51,221)</u>	<u>(19,947)</u>
Effects of exchange rate changes on cash and cash equivalents	-	108
<b>Net increase in cash and cash equivalents</b>	35,317	14,101
<b>Cash and cash equivalents brought forward</b>	<u>28,945</u>	<u>14,844</u>
<b>Cash and cash equivalents carried forward</b>	<u>64,262</u>	<u>28,945</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	64,262	29,997
Deposits with licensed banks	8,921	8,911
	<u>73,183</u>	<u>38,908</u>
Less: Restricted cash	(8,921)	(8,911)
Bank overdraft	-	(1,052)
Cash and cash equivalents	<u>64,262</u>	<u>28,945</u>

*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**

(Incorporated in Malaysia)

A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
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, <i>FRS 2 – 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, <i>FRS 119 – 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*

A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2010 (continued)

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	(131)
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	1,890
At January 2010, as restated	<u>1,890</u>

b) FRS 8: Operating Segments

FRS 8 requires identification and reporting 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 30 June 2009 have been 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.

d) Amendment to FRS 117 *Leases*

This amendment removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and has reclassified the leasehold land from prepaid lease payments for land to property, plant and equipment.



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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2010 (continued)

d) Amendment to FRS 117 *Leases* (continued)

The reclassification has been made retrospectively and the comparative figures have been restated as follows:-

	As reported previously RM'000	Effect of adopting Amendment to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	216,736	27,875	244,611
Prepaid lease payments for land	27,875	(27,875)	-

The adoption of Amendment to FRS 117 does not have any impact to the financial results of the Group for the current financial year and previous financial year.

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 of haulage, freight forwarding and warehousing are generally affected by the festive months which normally record higher volume of activities in the months prior to that. During the festive months these core businesses usually slow down.

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

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial year under review other than the items listed below.

The following provisions and one-off costs that have impacted the Group's financial results;

	RM'000	RM'000
	Current Quarter	Full Year
(i) Write down of fixed assets	-	8,717
(ii) Impairment of investment in subsidiary	-	3,751
(iii) Provisions of doubtful receivables	2,750	18,808
(iv) Provisions in diminution in market value of assets	20,883	25,883
(v) One-off payments due to corporate exercise	<u>885</u>	<u>885</u>
	<u>24,518</u>	<u>58,044</u>

- (i) As part of the on-going assets management exercise, the Group did extensive audit on its trailers fixed asset listing recently and established that there is a need to write down the value of its assets by RM8.7Mil during the 3<sup>rd</sup> quarter of current financial year

A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2010 (continued)

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

The Group has a prudent practice in depreciating its trailers which has resulted in many of its trailers having much lower net book value against the market value. As such, if an exercise is to be carried out in revaluing all its existing trailers to the market value, the impact of the above write off against Net Assets of the Group would have been minimal.

The Management has reorganised the assets management team and enhanced strict control policies and standard operating procedures to ensure the assets are properly accounted for. Periodic full audit of trailers will continue to be carried out in order to monitor the assets.

(ii) During the 3<sup>rd</sup> quarter, the Group impaired its investment in a subsidiary in Indonesia amounting to RM3.8Mil.

(iii) During the 4<sup>th</sup> quarter, the Group has made a provision of doubtful receivables that has been long outstanding amounting to RM2.8Mil, in addition to the RM16.1Mil that was made during the 3<sup>rd</sup> quarter. However, the Group will continue to make extensive effort to recover these debts.

(iv) During the 4<sup>th</sup> quarter, as part of the on-going exercise to review its assets position, the Group has made further provisions for diminution in value of assets amounting to RM20.9Mil. This amount is in addition to the RM5Mil impairment loss recognised during the 3<sup>rd</sup> quarter after revaluing all the Group's major properties.

During the revaluation exercise, an independent qualified valuer has also revalued other major properties at approximately RM15Mil higher than their carrying values. The Group has decided not to revalue these properties upward as it chooses the cost model as its accounting policy.

(v) As part of a corporate exercise involving a change in ownership of the Group, one-off expenses and payments amounting to RM0.9Mil was incurred during the 4<sup>th</sup> quarter.

With the recently completed Board of Directors' review of the assets carrying value, we expect no further provisions or write down in the value of the assets.

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 financial year, the Company repurchased a total 2,927,600 ordinary shares of RM1.00 each from the open market for a total consideration of RM3,878,851. 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 10,000 ordinary shares of RM1.00 each to the open market for a total consideration of RM13,343.

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

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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2010 (continued)

A7. DIVIDEND PAID

In respect of financial year ended 31 December 2009, a final gross dividend of 8 sen per ordinary share, less tax at 25%, amounting to RM13,814,994 was paid on 9 September 2010.

In respect of financial year ended 31 December 2010, an interim gross dividend of one (1) treasury share for every forty (40) existing ordinary shares of RM1 each, amounting to RM6,472,965 was distributed on 30 September 2010.

In respect of financial year ended 31 December 2010, 2nd interim gross dividend of 17 sen per ordinary share, less tax at 25% (12.75 sen net per ordinary share), amounting to RM30,076,021 was paid on 28 January 2011.

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 31 December 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	172,006	122,422	-	-	294,428
Inter-segment sales	-	12,276	-	(12,276)	-
Total revenue	<u>172,006</u>	<u>134,698</u>	<u>-</u>	<u>(12,276)</u>	<u>294,428</u>
<b><u>Profit</u></b>					
Segment results	37,939	(772)	(47,812)	-	(10,645)
Finance costs					(6,479)
Share of results of associates					1,108
Loss from ordinary activities before taxation					(16,016)
Taxation					(8,296)
Loss from ordinary activities after tax					(24,312)
Minority interest					148
Net loss for the year					<u>(24,164)</u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2010 (continued)

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuation of property, plant and equipment other than those explained in B7.

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

On 30 April 2010, the Company had completed the acquisition of 6,695,000 ordinary share of RM1.00 each, representing remaining 49% equity interest in Cougar Logistics (Malaysia) Sdn Bhd, resulting in a gain on acquisition of RM2,749,308. As a result, Cougar Logistics (Malaysia) Sdn Bhd is now a 100% wholly-owned subsidiary.

During the quarter, the Company had completed the disposal of its entire 30% stake, which comprises 90,001 equity shares of RM1.00 each, in Mitsui O.S.K. Lines (Malaysia) Sdn Bhd for a total purchase consideration of RM5,100,000. As a result, Mitsui O.S.K. Lines (Malaysia) Sdn Bhd ceased to be the Company's associate.

During the financial year, the Company strike-off six (6) wholly owned subsidiaries, Inter-Fleet Engineering Services (M) Sdn Bhd, Tinjauan Melati Sdn Bhd, Asia Vehicle Transport Sdn Bhd, Direct Fortune Sdn Bhd, Diperdana Indah Sdn Bhd and Diperdana Logistics Sdn Bhd.

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> 31/12/2010 RM'000	<u>Cumulative Quarter</u> 31/12/2010 RM'000
Taxation		
- income tax	1,269	10,133
- deferred taxation	(1,748)	(1,837)
	<u>(479)</u>	<u>8,296</u>

#### B2. UNQUOTED INVESTMENT AND PROPERTIES

There was no sale or purchase of unquoted investments or properties during the year ended 31 December 2010 except for the following:

During the year, P.T. Kay Pi Transmalindo, being a 70% owned subsidiary of Konsortium had completed the disposal of its properties held under Jalan Raya Cakung Cilincing, Rorotan Jakarta 14140, Indonesia for a total cash consideration of RM10,000,000.

#### B3. QUOTED SECURITIES

Investments in quoted securities classified as available-for-sale investments as at the end of the current quarter were as follows:-

	<u>RM'000</u>
(i) at cost	11,978
(ii) at carrying value	12,588
(iii) at fair value	12,588

The loss on fair value changes of the available-for-sale investments recognised in other comprehensive income for the current financial year amounted to RM1,280,000

During the financial year, the Group had purchased quoted shares for a total consideration of RM8,498,050.

During the financial period, Konsortium had disposed of its quoted shares for a cash consideration of RM13,267,496.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Continued)

B4. BANK BORROWINGS

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

	31 December 2010		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<b><u>Current</u></b>			
Term loans	7,596	-	7,596
Revolving credit	22,000	5,000	27,000
Hire purchase and finance lease liabilities	9,131	-	9,131
	<u>38,727</u>	<u>5,000</u>	<u>43,727</u>
<b><u>Non Current</u></b>			
Term loans	18,835	-	18,835
Hire purchase and finance lease liabilities	17,168	-	17,168
	<u>36,003</u>	<u>-</u>	<u>36,003</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 SECURITIES BERHAD'S LISTING REQUIREMENTS (Continued)**

**B7. REVIEW OF PERFORMANCE**

The Group's Revenue for the 4<sup>th</sup> quarter ended 31 December, 2010 was RM65.4Mil, a decrease of 4% over the previous corresponding quarter. The lower activities in the Project division have contributed mostly to the shortfall. The profitability of the Group during the 4<sup>th</sup> quarter has been affected by further provisions made and one-off expenses incurred. This has resulted a Loss before Tax of RM23.0Mil as compared to Profit before Taxation of RM4.2Mil achieved in 2009.

The Group's Revenue for the full year ended 31 December, 2010 grew strongly and increased by 23.1% from RM239.1Mil to RM294.4Mil. The strong growth in revenue is largely attributable to the Automotive Logistics division that has secured new supply chain contracts which will contribute significantly to the Group in years to come. The Haulage division has also shown vast improvements in its performance partly due to the continue recovery of the economy since the 2<sup>nd</sup> half of 2009 and greater market penetration in securing new customers.

However, due to the items being written down or provisions made during the year as highlighted in A4, the Group has recorded a Loss before Tax of RM16.0Mil as compared to Profit before Tax of RM31.8Mil achieved in 2009. Excluding the exceptional items being written down and provisions made, the Profit before Tax would have been RM41.1Mil, an increase of 29.7% over the previous financial year.

Despite the net loss recorded during the 4<sup>th</sup> quarter and for the full year of 2010, the Cash and Cash Equivalents remain strong and have grown to RM64.3Mil as at 31 December 2010 from RM28.9Mil at the beginning of the year.

**B8. QUARTERLY RESULTS COMPARISON**

The Group's revenue of RM65.4Mil achieved during the quarter ended 31 December 2010 was lower by 15.2% as compared to the previous quarter. Traditionally, revenue achieved in quarter 3 is usually the highest quarter of the year due to higher logistics demand and activities ahead of the festive seasons, while quarter 4 is usually the lowest.

**B9. PROSPECT**

Despite the substantial write down and provisions made during the year, which were largely one-offs, that have impacted the profitability of the Group in 2010, the operational and business activities remain strong and unaffected. The Group's cashflow remains healthy and grew during the year.

The Group maintains a positive outlook in 2011 with its current business portfolios. In order to achieve higher growth, the Group seeks to develop new business opportunities in those logistics supply chain that it does not have strong market presence. With the anticipated current and potential business growth, the Group is confident that it will return to profitability in the coming quarters and will continue to deliver strong returns to the shareholders.

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

Not applicable.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Continued)

B11. DIVIDEND

The Board does not recommend any dividend in respect of the current financial period.

B12. EARNINGS PER SHARE

	<b>12 months ended 31 December 10</b>	<b>12 months ended 31 December 09</b>
Net (loss)/profit for the year (RM'000)	(24,164)	24,979
Issued ordinary shares at beginning of period ('000)	240,719	240,719
Treasury share	(4,828)	(7,661)
	<hr/>	<hr/>
	235,891	233,058
	<hr/>	<hr/>
Weighted Average Shares	236,693	229,234
Basic earnings per share (sen)	(10.21)	10.90

B13. Disclosure on realised and unrealised profit/loss

The retained earnings as at 31 December 2010 is analysed as follows:-

	<b>31.12.2010 RM'000</b>
Total retained earnings of the Company and its subsidiaries:-	
- Realised	5,739
- Unrealised	(1,634)
	<hr/>
	4,105
Less: Consolidation adjustments	(34,961)
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Total group retained earnings as per consolidated financial statements	<u>(30,856)</u>