

Company No.

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KONSORTIUM LOGISTIK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2011

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

The figures have not been audited.

	As at 31/03/2011 RM'000	As at 31/12/2010 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	211,060	209,044
Investment property	15,000	15,000
Prepaid lease payments for land	26,876	27,037
Goodwill	11,883	11,883
Investments in associates	18,013	18,001
Available -for-sale financial assets	11,602	12,588
Long term investments	812	812
Deferred tax assets	1,791	2,130
	<u>297,037</u>	<u>296,495</u>
Current Assets		
Consumable stores, at cost	22	67
Trade receivables	75,581	73,831
Other receivables	18,585	16,461
Current tax assets	4,657	3,625
Deposits, bank and cash balances	38,636	73,451
	<u>137,481</u>	<u>167,435</u>
Non-current assets classified as held for sale	324	475
TOTAL ASSETS	<u>434,842</u>	<u>464,405</u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share Capital	235,891	240,719
Reserves attributable to capital	46,487	51,923
Treasury shares	-	(5,436)
Available for sales	(312)	610
Capital redemption reserves	4,828	-
Reserves attributable to revenue	(1,457)	(1,457)
Retained profits	(22,124)	(33,056)
Total equity	<u>263,313</u>	<u>253,303</u>
LIABILITIES		
Non-current liabilities		
Borrowings	32,265	36,003
Provision for retirement benefits	1,880	1,856
Deferred tax liabilities	3,098	3,148
	<u>37,243</u>	<u>41,007</u>
Current Liabilities		
Trade payables	43,359	51,060
Other payables	47,906	45,109
Dividend payables	-	30,076
Borrowings	41,992	43,727
Provision for taxation	1,029	123
	<u>134,286</u>	<u>170,095</u>
Total Liabilities	<u>171,529</u>	<u>211,102</u>
TOTAL EQUITY AND LIABILITIES	<u>434,842</u>	<u>464,405</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.12	1.07

This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2011

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31 March 2011 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31 March 2010 RM'000	CURRENT PERIOD ENDED 31 March 2011 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 31 March 2010 RM'000
Revenue	70,156	71,692	70,156	71,692
Operating Expenses	(55,295)	(57,569)	(55,295)	(57,569)
Other income	932	424	932	424
Profit from operations	15,793	14,547	15,793	14,547
Finance cost	(1,217)	(1,695)	(1,217)	(1,695)
Share of profit of associates	-	485	-	485
Profit before taxation	14,576	13,337	14,576	13,337
Taxation	(3,644)	(3,393)	(3,644)	(3,393)
Profit for the period	10,932	9,944	10,932	9,944
Total profit attributable to :				
Equity holders of the parent	10,932	10,092	10,932	10,092
Minority Interest	-	(148)	-	(148)
	10,932	9,944	10,932	9,944
Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	4.63	4.35	4.63	4.35
- 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 2010.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2011

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31 March 2011 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31 March 2010 RM'000	CURRENT PERIOD ENDED 31 March 2011 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 31 March 2010 RM'000
Profit for the period	10,932	9,944	10,932	9,944
Net (loss)/gain on revaluation of financial investments available for sale	(922)	368	(922)	368
Total comprehensive income	10,010	10,312	10,010	10,312
Total comprehensive income attributable to:				
Equity holders of the parent	10,010	10,460	10,010	10,460
Minority Interest	-	(148)	-	(148)
	10,010	10,312	10,010	10,312

This Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

The figures have not been audited.

	Attributable to equity holders of the Company							Minority Interest	Total Equity	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Exchange translation reserves RM'000	Available for sales reserves RM'000	Capital redemption reserves RM'000	Retained earnings RM'000			Total RM'000
As 1 January 2011	240,719	51,923	(5,436)	(1,457)	610	-	(33,056)	253,303	-	253,303
Total comprehensive income	-	-	-	-	(922)	-	10,932	10,010	-	10,010
Transactions with owners										
Cancellation of treasury shares	(4,828)	(5,436)	5,436	-	-	4,828	-	-	-	-
Total transactions with owners	(4,828)	(5,436)	5,436	-	-	4,828	-	-	-	-
As at 31 March 2011	235,891	46,487	-	(1,457)	(312)	4,828	(22,124)	263,313	-	263,313
As at 1 January 2010										
- as previously stated	240,719	58,396	(8,042)	(10,239)	-	-	37,330	318,164	(3,553)	314,611
- effective of adoption of FRS 139	-	-	-	-	1,890	-	(131)	1,759	-	1,759
As at 1 January 2010 (retated)	240,719	58,396	(8,042)	(10,239)	1,890	-	37,199	319,923	(3,553)	316,370
Total comprehensive income	-	-	-	-	368	-	10,092	10,460	(148)	10,312
Transactions with owners										
Purchase of company's own shares	-	-	(1,487)	-	-	-	-	(1,487)	-	(1,487)
Additional investment in a subsidiary	-	-	-	-	-	-	-	-	6,450	6,450
Total transactions with owners	-	-	(1,487)	-	-	-	-	(1,487)	6,450	4,963
As at 31 March 2010	240,719	58,396	(9,529)	(10,239)	2,258	-	47,291	328,896	2,749	331,645

This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED 31 MARCH 2010

The figures have not been audited.

	3 months ended 31 March 2011 RM'000	3 months ended 31 March 2010 RM'000
Net Income	14,576	13,485
Adjustment Non Cash Item:		
Interest Income	(131)	(79)
Dividend income	-	(89)
Finance cost	1,217	1,695
Share of profit of equity accounted associates	-	(484)
Share of Minority interest	-	(147)
(Gain)/loss on disposal of property, plant & Equipment	(171)	27
Depreciation	4,284	4,357
(Gain)/loss on disposal of quota share	-	(40)
Provision doubtful debt/(Reversal)	(425)	16
Unrealised foreign exchange loss/(gain)	24	(12)
Cash Flow before Working Capital	<u>19,374</u>	<u>18,729</u>
Change in inventories	46	3
Change in receivables, deposits and prepayments	(3,472)	(12,875)
Change in payables and accruals	(4,883)	(4,565)
Cash generated from Operations	<u>11,065</u>	<u>1,292</u>
Dividends received	-	89
Dividends received-Associate	-	350
Interest received	131	82
Interest paid	(1,217)	(1,751)
Tax paid	(3,480)	(2,164)
Net cash from operating activities	<u>6,499</u>	<u>(2,102)</u>
Acquisition of Fixed Assets	(6,139)	(9,186)
Acquisition of quoted shares and other investments	-	(7,804)
Proceeds from Sale of Fixed Assets	321	146
Proceeds from the disposal of quoted/unquoted and other investment	64	117
Proceeds from minority	-	6,450
Advance to associate	(12)	(18)
Cash Flow from Investing	<u>(5,766)</u>	<u>(10,295)</u>
Dividends Paid	(30,076)	-
Term Loan Repayment		
Term loan	(1,874)	(8,544)
Hire Purchase	(3,598)	(2,065)
Proceeds From Financing		
Bank loan	-	19,729
Shares repurchased	-	(1,486)
Restricted cash	1,285	301
Cash Flow from Financing	<u>(34,263)</u>	<u>7,935</u>
Net decrease in cash & cash equivalents	(33,530)	(4,462)
Cash and cash equivalent at Beginning	<u>64,530</u>	<u>28,944</u>
Cash and cash equivalent at Ending	<u><u>31,000</u></u>	<u><u>24,482</u></u>
Cash and bank balances	31,000	24,482
Deposit with license banks	<u>7,636</u>	<u>8,610</u>
	38,636	33,092
Less: Restricted cash	<u>(7,636)</u>	<u>(8,610)</u>
Cash and cash equivalent	<u><u>31,000</u></u>	<u><u>24,482</u></u>

This Condensed Consolidated Cash Flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

Company No.

89243	A
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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 2011

A1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with the requirement of FRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2010.

The significant accounting policies and methods of computation adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards (FRS) and Amendments to FRSs:

FRSs/Interpretations	Effective date
Amendments to FRS 132, <i>Financial Instruments: Presentation – Classification of Rights Issues</i>	1 March 2010
FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> (revised)	1 July 2010
FRS 3, <i>Business Combinations</i> (revised)	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements</i> (revised)	1 July 2010
Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 12, <i>Service Concession Agreements</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2011
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> <ul style="list-style-type: none">- <i>Limited Exemption from Comparatives FRS 7 Disclosures of First-time Adopters</i>- <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2, <i>Group Cash-settled Share Based Payment Transactions</i>	1 January 2011
Amendments to FRS 7, <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 4, <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 18, <i>Transfers of Assets from Customers</i>	1 January 2011
Improvements to FRSs (2010)	1 January 2011

Company No.

89243	A
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A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011
(continued)

A1. BASIS OF PREPARATION (continued)

FRSs/Interpretations	Effective date
IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
Amendments to IC Interpretation 14, <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
FRS 124, <i>Related Party Disclosures</i> (revised)	1 January 2012
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 January 2012

The initial application of the aforesaid applicable standards, amendments or interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior period financial statements upon their first adoption.

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 2010 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 exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 31 March 2011.

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

There were no other issuance and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares, repurchase and resale of treasury shares for the current financial year under review except for the following:

On 27 January 2011, the Company cancelled 4,828,471 treasury shares with carrying amount of RM5,435,816 or at an average price of RM1.13 per share. The share capital cancelled amounted to RM5,435,816 was transferred to capital redemption reserves and the consideration paid for the shares cancelled was set off against the share premium in accordance with the requirement of Section 67A of the Companies Act, 1965.

Company No.

89243	A
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A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011
(continued)

A7. DIVIDEND PAID

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 24 January 2011.

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 31 March 2011 by operating 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	39,897	30,259	-	-	70,156
Inter-segment sales	-	2,620	-	(2,620)	-
Total revenue	<u>39,897</u>	<u>32,879</u>	<u>-</u>	<u>(2,620)</u>	<u>70,156</u>
<u>Profit</u>					
Segment results	12,458	3,968	(764)	-	15,662
Interest income	81	-	50		131
Finance costs	-	(803)	(414)		(1,217)
Profit from ordinary activities before taxation					<u>14,576</u>
Taxation					<u>(3,644)</u>
Net profit for the year					<u>10,932</u>

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuations 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

The Company had guaranteed the bank credit facilities of certain subsidiaries for RM26,398,000 of which the outstanding balance is RM15,195,000.

Company No.

89243	A
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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>31/03/2011</u> RM'000	<u>Cumulative Quarter</u> <u>31/03/2011</u> RM'000
Taxation		
- income tax	3,354	3,354
- deferred taxation	290	290
	<u>3,644</u>	<u>3,644</u>

B2. UNQUOTED INVESTMENT AND PROPERTIES

During the quarter, Konsortium had completed the disposal of its properties at No.4, Block A, 11th Floor, Jalan USJ6/21, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan with a consideration of RM321,000. The gain arising from the disposal was approximately RM171,000.

Other than the above, there was no sale or purchase of unquoted investments or properties during the current quarter ended 31 March 2011.

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	11,913
(ii) at carrying value	11,602
(iii) at fair value	11,602

The loss on fair value changes of the available-for-sale investments recognised in other comprehensive income for the current financial period amounted to RM922,000.

During the financial period, Konsortium had disposed of its quoted shares for a total cash consideration of RM64,177.

Company No.

89243	A
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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 March 2011 are as follows:

	31 March 2011		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Current</u>			
Term loans	7,596	-	7,596
Revolving credit	22,000	5,000	27,000
Hire purchase and finance lease liabilities	7,396	-	7,396
	<u>36,992</u>	<u>5,000</u>	<u>41,992</u>
<u>Non Current</u>			
Term loans	16,960	-	16,960
Hire purchase and finance lease liabilities	15,305	-	15,305
	<u>32,265</u>	<u>-</u>	<u>32,265</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.

Company No.

89243	A
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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 quarter ended 31 March 2011 was RM70.1Mil, a decrease of 2% over the previous corresponding period. The shortfall was mainly due to the expiry of the downstream distribution of fuel contact with Chevron Malaysia. The Project logistics division has also registered slightly lower revenue due to lower Chartering & Shipping volume and the impact of strengthening of Ringgit against US Dollars. However, the Automotive Logistics, Haulage and Value Added Services business segments contributed with higher revenue.

Despite the lower revenue, the Group recorded higher operational margins and EBITDA margins. The Profit before Tax also rose to RM14.6Mil compared to RM13.3Mil recorded in the previous corresponding quarter.

B8. QUARTERLY RESULTS COMPARISON

The Group's revenue of RM70.1Mil achieved during the 1st quarter of 2011 was 7.3% higher as compared to the last quarter. The profit before Tax of RM14.6Mil was also significantly higher as there were one-off provisions made during the quarter 4 that impacted the profits.

B9. PROSPECT

The Group maintains a positive outlook for the whole of 2011 despite the various challenges anticipated during the year, in particularly the rising of essential costs.

B10 VARIANCE ON PROFIT FORECAST/SHORTFALL IN PROFIT GUARANTEE

Not applicable.

Company No.

89243	A
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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

	3 months ended 31 March 11	3 months ended 31 March 10
Net profit for the year RM'000)	10,932	10,092
Ordinary shares in issue	235,890	240,719
Treasury shares	-	(8,819)
	<u>235,890</u>	<u>231,900</u>
Weighted average number of ordinary shares	235,890	232,025
Basic earnings per share (sen)	4.63	4.35

B13. Disclosure on realised and unrealised profit/loss

The retained earnings as at 31 March 2011 is analysed as follows:-

	31.3.2011 RM'000
Total retained earnings of the Company and its subsidiaries:-	
- Realised	295,810
- Unrealised	15,545
	<u>311,355</u>
Less: Consolidation adjustments	(289,231)
Total group retained earnings as per consolidated financial statements	<u>(22,124)</u>