

Company No.

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KONSORTIUM LOGISTIK BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

The figures have not been audited.

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000 (Restated)	As at 1/1/2011 RM'000 (Restated)
ASSETS			
Property, plant and equipment	156,180	162,350	209,044
Investment property	-	-	15,000
Prepaid lease payments for land	25,925	26,392	27,037
Goodwill	11,883	11,883	11,883
Investments in associates	23,688	15,046	18,057
Available -for-sale financial assets	-	-	12,573
Long term investments	1,802	827	827
Deferred tax assets	1,101	1,297	2,130
	<u>220,579</u>	<u>217,795</u>	<u>296,551</u>
Current Assets			
Consumable stores, at cost	310	106	67
Trade receivables	67,291	68,222	73,831
Other receivables	17,886	18,951	16,461
Current tax assets	10,578	7,711	3,625
Deposits, bank and cash balances	28,894	110,835	73,451
	<u>124,959</u>	<u>205,825</u>	<u>167,435</u>
Non-current assets classified as held for sale	324	324	475
TOTAL ASSETS	<u>345,862</u>	<u>423,944</u>	<u>464,461</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share Capital	252,297	252,293	240,719
Reserves attributable to capital	53,189	53,189	51,923
Available for sales	-	-	610
Capital redemption reserves	4,828	4,828	-
Exchange translation reserve	-	-	(1,457)
Treasury shares	-	-	(5,436)
Share options reserve	317	314	-
Retained profits	(88,437)	(106,269)	(33,114)
Total equity	<u>222,194</u>	<u>204,355</u>	<u>253,245</u>
LIABILITIES			
Non-current liabilities			
Borrowings	18,828	21,965	36,003
Provision for retirement benefits	2,065	1,987	1,914
Deferred tax liabilities	2,893	2,640	3,148
	<u>23,786</u>	<u>26,592</u>	<u>41,065</u>
Current Liabilities			
Trade payables	33,400	28,117	51,060
Other payables	26,199	34,627	45,165
Dividend payables	-	99,182	30,076
Borrowings	37,734	28,989	43,727
Provision for taxation	2,549	2,082	123
	<u>99,882</u>	<u>192,997</u>	<u>170,151</u>
Total Liabilities	<u>123,668</u>	<u>219,589</u>	<u>211,216</u>
TOTAL EQUITY AND LIABILITIES	<u>345,862</u>	<u>423,944</u>	<u>464,461</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.88	0.81	1.05

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30 September 2012 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2011 RM'000	CURRENT PERIOD ENDED 30 September 2012 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 30 September 2011 RM'000
Revenue	69,811	63,005	200,897	198,304
Operating Expenses	(53,577)	(46,997)	(152,533)	(137,889)
Other income	101	762	9,579	7,549
Profit from operations	16,335	16,770	57,943	67,964
Other non operating expenses	(11,890)	(10,412)	(33,933)	(31,155)
Finance cost	(909)	(930)	(2,904)	(3,571)
Share of profit of associates	-	-	-	-
Profit before taxation	3,536	5,428	21,106	33,238
Taxation	(640)	(1,277)	(3,296)	(6,979)
Total profit/ total comprehensive income for the period	2,896	4,151	17,810	26,259
Total profit/ total comprehensive income attributable to :				
Equity holders of the parent	2,896	4,151	17,810	26,259
Minority Interest	-	-	-	-
	2,896	4,151	17,810	26,259
Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	1.15	1.76	7.06	11.13
- Diluted	1.15	1.76	7.06	11.13

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

The figures have not been audited.

	Attributable to equity holders of the Company								Non-controlling 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	Share options reserve RM'000	Retained earnings RM'000			Total RM'000
As 1 January 2012											
- as previously stated	252,293	53,189	-	-	-	4,828	314	(106,285)	204,339	-	204,339
- effect of transition to MFRS	-	-	-	-	-	-	-	16	16	-	16
As at 1 January 2012, as restated	252,293	53,189	-	-	-	4,828	314	(106,269)	204,355	-	204,355
Total comprehensive income	-	-	-	-	-	-	-	17,810	17,810	-	17,810
Transactions with owners											
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Dividend in cash	-	-	-	-	-	-	-	-	-	-	-
Share options granted under ESOS	4	-	-	-	-	-	2	-	6	-	6
Forfeited of ESOS	-	-	-	-	-	-	1	21	23	-	23
Total transactions with owners	4	-	-	-	-	-	3	21	29	-	29
As at 30 SEPTEMBER 2012	252,297	53,189	-	-	-	4,828	317	(88,437)	222,194	-	222,194
As at 1 January 2011											
- as previously stated	240,719	51,923	(5,436)	(1,457)	610	-	-	(33,056)	253,303	-	253,303
- effect of transition to MFRS	-	-	-	-	-	-	-	(58)	(58)	-	(58)
As at 1 January 2011, as restated	240,719	51,923	(5,436)	(1,457)	610	-	-	(33,114)	253,245	-	253,245
Total comprehensive income	-	-	-	-	(4,351)	-	-	26,259	21,908	-	21,908
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 30 SEPTEMBER 2011	235,891	46,487	-	(1,457)	(3,741)	4,828	-	(6,855)	275,153	-	275,153

This Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

KONSORTIUM LOGISTIK BERHAD
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

The figures have not been audited.

	9 months ended 30 September 2012 RM'000	9 months ended 30 September 2011 RM'000
Profit before tax	21,106	33,238
Adjustment Non Cash Item:		
Interest Income	(279)	(278)
Dividend income	-	(2)
Finance cost	2,904	3,571
(Gain)/loss on disposal of property, plant & Equipment	(46)	(5,907)
Reversal of impairment loss on investment in associate	(7,923)	-
Depreciation	13,145	12,752
(Gain)/loss on disposal of associate	(890)	-
Staff cost - ESOS	25	-
Provision doubtful debt/(Reversal)	111	(742)
Impairment loss on other investment	135	-
Unrealised foreign exchange loss/(gain)	-	112
Cash Flow before Working Capital Changes	<u>28,288</u>	<u>42,744</u>
Change in inventories	(203)	(13)
Change in receivables, deposits and prepayments	753	10,090
Change in payables and accruals	(2,873)	(35,032)
Cash generated from Operations	<u>25,965</u>	<u>17,789</u>
Dividends received	-	2
Dividends received-Associate	-	350
Interest received	279	278
Interest paid	(2,904)	(3,571)
Tax paid	(5,242)	(7,500)
Net cash (used in)/from operating activities	<u>18,099</u>	<u>7,348</u>
Acquisition of Fixed Assets	(7,415)	(9,707)
Proceeds from Sale of Fixed Assets	776	6,737
Proceeds from the disposal of quoted/unquoted and other investment	-	64
Proceeds from the disposal of Associate	988	-
Investment in associate	(817)	-
Cash Flow used in Investing	<u>(6,468)</u>	<u>(2,906)</u>
Dividends Paid	(99,182)	(30,076)
Term Loan Repayment		
Term loan	(5,697)	(7,663)
Hire Purchase	(7,927)	(7,885)
Proceeds From Financing		
Bank loan	7,000	1,973
Hire Purchase	12,230	-
Restricted cash	501	7,324
Increase in share capital	5	-
Cash Flow used in Financing	<u>(93,070)</u>	<u>(36,327)</u>
Net (decrease)/increase in cash & cash equivalents	(81,440)	(31,885)
Cash and cash equivalent at Beginning	<u>109,379</u>	<u>64,530</u>
Cash and cash equivalent at Ending	<u>27,939</u>	<u>32,645</u>
Cash and bank balances	27,939	32,646
Deposit with license banks	955	1,596
	<u>28,894</u>	<u>34,242</u>
Less: Restricted cash	(955)	(1,596)
Cash and cash equivalent	<u>27,939</u>	<u>32,646</u>

This Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011.

KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2012

A1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with the requirement of MFRS 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 2011.

The Group's consolidated interim financial statements forms part of the period covered by the Group's first MFRS annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In preparing its opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSS. An explanation of how the transition from the previous FRSS to the new MFRSS has affected the Group's financial position, financial performance is set out in the following tables and the note that accompany these tables.

(a) Provision for retirement benefits

Upon transition to MFRS, the Group has elected to recognise all cumulative actuarial gains and losses at the date of transition. Accordingly, the cumulative actuarial losses of RM58,000 were adjusted to accumulated losses as at 1.1.2011 and RM16,000 actuarial gain were adjusted to accumulated losses as at 31.12.2011.

Reconciliation of equity as at 1 January 2011

	FRS	Effect of transition to MFRS	MFRS
	RM'000	RM'000	RM'000
Provision for retirement benefits	1,856	58	1,914
Accumulated losses	(33,056)	(58)	(33,114)

Reconciliation of equity as at 31 December 2011

	FRS	Effect of transition to MFRS	MFRS
	RM'000	RM'000	RM'000
Provision for retirement benefits	2,003	(16)	1,987
Accumulated losses	(106,285)	16	(106,269)

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 2011 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.

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A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2012 (continued)

A3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's core businesses of automotive logistics, project cargo, 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

During the previous quarter, the Group has reversed impairment loss in investment of associate amounting to RM7.9mil as the recoverable amount of the investment has been assessed to be higher than its carrying value.

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:

(a) *Employees' Share Option Scheme ("ESOS")*

The ESOS has been in force from 16 August 2011 and the tenure shall end by 6 April 2013.

The details of the options granted and exercised are as below:

Offer date	Option Price (RM)	Option Granted	Balance as at 1.1.12	Granted	Exercised	Lapsed/ Forfeited	Balance as at 30.9.12
16.8.11	1.15	9,062,000	1,977,000	-	(4,000)	(155,000)	1,818,000
18.8.11	1.15	132,000	98,000	-	-	-	98,000
1.11.11	1.35	9,283,000	-	-	-	-	-
29.11.11	1.38	126,000	126,000	-	-	-	126,000
23.2.12	1.13	17,000	-	17,000	-	-	17,000
16.5.12	1.01	44,000	-	44,000	-	-	44,000
28.8.12	1.00	316,000	-	200,000	-	-	200,000
			<u>2,201,000</u>	<u>261,000</u>	<u>(4,000)</u>	<u>(155,000)</u>	<u>2,303,000</u>

(b) *Ordinary shares*

In the first quarter ended 31 March 2012, the Company has issued 4,000 ordinary shares of RM1.00 each pursuant to the exercise of options granted under the ESOS.

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A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2012 (continued)

A7. DIVIDEND PAID

In respect of the financial year ended 31 December 2011, the Company paid Special dividend and First Interim dividend in total 45.70 sen per ordinary share of RM1 each amounting to RM99,182,429 as below:

- a. First Interim tax exempt Dividend of 8.00 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2011 amounting to a total cash payment of RM20,183,389.
- b. Special Dividend of 37.70 sen per ordinary share of RM1.00 each consisting of 12.15 sen per ordinary share which are tax exempt and 25.55 sen per ordinary share less 25% tax in respect of the financial year ending 31 December 2011 amounting to a total cash payment of RM78,999,040.

The above dividend was paid on 26 January 2012.

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 30 September 2012 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	96,511	104,386	-	-	200,897
Inter-segment sales	-	8,436	-	(8,436)	-
Total revenue	<u>96,511</u>	<u>112,822</u>	<u>-</u>	<u>(8,436)</u>	<u>200,897</u>
<u>Profit</u>					
Segment results	11,579	10,616	1,536	-	23,731
Interest income	-	-	279	-	279
Finance costs	-	(1,882)	(1,022)	-	(2,904)
Profit from ordinary activities before taxation					21,106
Taxation					(3,296)
Net profit for the year					<u>17,810</u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2012 (continued)

Analysis of the Group's revenue and results as at 30 September 2011 by operating segments are as follows:

	Logistics Service <u>Organisation</u> RM'000	Internal & External <u>Affiliates</u> RM'000	Shared Service <u>Organisation</u> RM'000	Consol <u>Adjustment</u> RM'000	Group <u>Results</u> RM'000
<u>Revenue</u>					
External sales	101,051	97,253	-	-	198,304
Inter-segment sales	-	7,835	-	(7,835)	-
Total revenue	<u>101,051</u>	<u>105,088</u>	<u>-</u>	<u>(7,835)</u>	<u>198,304</u>
<u>Profit</u>					
Segment results	21,727	12,967	1,837	-	36,531
Interest income	170	6	102	-	278
Finance costs	-	(2,297)	(1,274)	-	(3,571)
Profit from ordinary activities before taxation					<u>33,238</u>
Taxation					(6,979)
Net profit for the year					<u>26,259</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

The Company had on 30 March 2012 entered into an Agreement for the sales & purchase of shares with Distinct Capital Pte Ltd to dispose of the entire 50% shares held in its associate company, KP Integrated Sdn Bhd.

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 RM5,000,000 of which the outstanding balance is RM5,000,000.

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KONSORTIUM LOGISTIK BERHAD

(Incorporated in Malaysia)

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

B1. REVIEW OF PERFORMANCE

The Group's revenue of RM69.8Mil for the quarter ended 30 Sept 2012 was 10.8% higher than the previous year's corresponding quarter. However, due to the higher operating costs in automotive and haulage divisions, investment costs into racking for storage and warehousing businesses, the margins have been affected. This has resulted in the profit before tax to fall by 34.9% to RM3.5Mil for the quarter against the previous year's corresponding quarter results.

B2. QUARTERLY RESULTS COMPARISON

The revenue of RM69.8Mil recorded in Qtr 3, 2012 was 4.5% higher than the revenue recorded in Qtr 2, 2012, while the profit before tax of RM3.5Mil was significantly lower than the RM11.5Mil achieved in Qtr 2, 2012 due to one-off reversal of impairment loss on investment in associate amounting to RM7.9Mil in Qtr 2, 2012.

B3. PROSPECT

In August 2012, the Group has announced that it has via its subsidiaries secured appointments to the logistic panels for both the Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) and Petronas Carigali Sdn Bhd. The Group has since managed to secure several logistics contracts for the shipment of oil & gas equipments. The Group continues to build the business of haulage division despite the challenging rising operation costs.

Nevertheless, the Group remains cautious in the outlook for the remaining months of the year. With the uncertainties in the global and domestic economies and the rising costs in particularly arising from the impact of the minimum wage, cost containment remains the key aspect to maintaining Group margins.

B4. VARIANCE ON PROFIT FORECAST/SHORTFALL IN PROFIT GUARANTEE

Not applicable.

B5. TAXATION

	<u>Current Quarter</u> <u>30/09/2012</u> RM'000	<u>Cumulative Quarter</u> <u>30/09/2012</u> RM'000
Taxation		
- income tax	621	3,043
- deferred taxation	19	253
	<u>640</u>	<u>3,296</u>

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

B6. BANK BORROWINGS

Details of the Group's borrowings as at 30 September 2012 are as follows:

	30 September 2012		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<u>Current</u>			
Term loans	7,597	-	7,597
Revolving credit	17,000	5,000	22,000
Hire purchase and finance lease liabilities	8,137	-	8,137
	<u>32,734</u>	<u>5,000</u>	<u>37,734</u>
<u>Non Current</u>			
Term loans	5,542	-	5,542
Hire purchase and finance lease liabilities	13,286	-	13,286
	<u>18,828</u>	<u>-</u>	<u>18,828</u>

B7. 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.

B8. DIVIDEND

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

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

B9. EARNINGS PER SHARE

Earnings per share are calculated based on the following:-

a) Basis earnings per share

	9 months ended 30 Sept 12	9 months ended 30 Sept 11
Net profit for the year (RM'000)	17,810	26,260
Ordinary shares in issue ('000)	252,293	235,891
Exercised of ESOS ('000)	4	-
	<u>252,297</u>	<u>235,891</u>
Weighted average number of ordinary shares	252,297	235,891
Basic earnings per share (sen)	7.06	11.13

b) Diluted earnings per share –

	9 months ended 30 Sept 11	9 months ended 30 Sept 11
Net profit for the year (RM'000)	17,810	26,260
Weighted average number of ordinary shares ('000)	252,297	235,891
Adjustment for share option	-	-
	<u>252,297</u>	<u>235,891</u>
Diluted earnings per share (sen)	7.06	11.13

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

B10. Notes to The Statement of Comprehensive Income

	Individual Quarter Ended 30.09.2012	Year to Date Ended 30.09.2012
After Charging:-		
Finance cost	909	2,904
Depreciation and amortization	4,399	13,145
Allowance for doubtful debts	16	111
Impairment loss on investment	-	135
After Crediting:-		
Finance income	(26)	(279)
Gain on disposal of property, plant and equipment	(16)	(46)
Reversal of impairment loss on associate	-	(7,923)

B11. DISCLOSURE ON REALISED AND UNREALISED PROFIT/LOSS

The retained earnings as at 30 September 2012 is analysed as follows:-

	30.09.2012 RM'000
Total retained earnings of the Company and its subsidiaries:-	
- Realised	196,701
- Unrealised	(1,779)
	<u>194,922</u>
Total retained earnings of the associates:-	
- Realised	(8,449)
- Unrealised	-
Less: Consolidation adjustments	(274,910)
Total group retained earnings as per consolidated financial statements	<u>(88,437)</u>