

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 2013**

**KONSORTIUM LOGISTIK BERHAD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

*The figures have not been audited.*

	As at 30/9/2013 RM'000	As at 31/12/2012 RM'000
<b>ASSETS</b>		
Non-current Assets		
Property, plant and equipment	154,527	168,194
Prepaid lease payments for land	25,283	25,748
Goodwill	10,907	10,907
Investments in associates	-	11,552
Long term investments	1,378	1,560
Deferred tax assets	612	612
	<u>192,707</u>	<u>218,573</u>
Current Assets		
Consumable stores, at cost	188	165
Trade receivables	73,476	72,394
Other receivables	21,711	16,091
Current tax assets	7,256	5,002
Deposits, bank and cash balances	26,122	31,616
	<u>128,753</u>	<u>125,268</u>
Non-current assets classified as held for sale	133	324
<b>TOTAL ASSETS</b>	<u>321,593</u>	<u>344,165</u>
<b>EQUITY</b>		
Capital and reserves attributable to the Company's equity holders		
Share Capital	252,319	252,319
Reserves attributable to capital	53,192	53,192
Capital redemption reserves	4,828	4,828
Exchange translation reserve	(139)	(139)
Treasury shares	(1)	-
Share options reserve	330	330
Retained profits	(115,197)	(114,919)
Total equity	<u>195,332</u>	<u>195,611</u>
<b>LIABILITIES</b>		
Non-current liabilities		
Borrowings	7,039	15,268
Provision for retirement benefits	2,116	2,121
Deferred tax liabilities	3,304	3,304
	<u>12,459</u>	<u>20,693</u>
Current Liabilities		
Trade payables	31,834	31,817
Other payables	27,865	28,505
Dividend payables	-	25,232
Borrowings	54,104	42,194
Provision for taxation	-	113
	<u>113,803</u>	<u>127,861</u>
Total Liabilities	<u>126,262</u>	<u>148,554</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>321,594</u>	<u>344,165</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.77	0.78

*This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.*

**KONSORTIUM LOGISTIK BERHAD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

*The figures have not been audited.*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 30 September 2013 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30 September 2012 RM'000	CURRENT PERIOD ENDED 30 September 2013 RM'000	PRECEDING PERIOD CORRESPONDING ENDED 30 September 2012 RM'000
Revenue	60,674	69,811	217,754	200,897
Operating Expenses	(47,985)	(53,577)	(172,028)	(152,533)
Other income	273	101	1,312	9,579
Profit from operations	12,962	16,335	47,038	57,943
Other non operating expenses	(17,200)	(11,890)	(41,810)	(33,933)
Finance cost	(901)	(909)	(2,781)	(2,904)
Share of loss of associates	-	-	-	-
(Loss)/Profit before taxation	(5,139)	3,536	2,448	21,106
Taxation	(357)	(640)	(2,726)	(3,296)
<b>(Loss)/Profit/ other comprehensive Income for the period</b>	<b>(5,496)</b>	<b>2,896</b>	<b>(278)</b>	<b>17,810</b>
<b>Total (loss)/profit/ other comprehensive Income attributable to :</b>				
Equity holders of the parent	(5,495)	2,896	(278)	17,810
Minority Interest	-	-	-	-
	<b>(5,495)</b>	<b>2,896</b>	<b>(278)</b>	<b>17,810</b>
(Loss)/Earnings per share for profit attributable to equity holders of the company	sen	sen	sen	sen
- Basic	(2.18)	1.15	(0.11)	7.06

*This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.*

**KONSORTIUM LOGISTIK BERHAD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013**

*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	Capital redemption reserves RM'000	Share options reserve RM'000	Retained earnings RM'000			Total RM'000
<b>As at 1 January 2013</b>	252,319	53,192	-	(139)	4,828	330	(114,919)	195,610	-	195,610
Total comprehensive income	-	-	(1)	-	-	-	(278)	(279)	-	(279)
<b>As at 30 September 2013</b>	<b>252,319</b>	<b>53,192</b>	<b>(1)</b>	<b>(139)</b>	<b>4,828</b>	<b>330</b>	<b>(115,197)</b>	<b>195,332</b>	<b>-</b>	<b>195,332</b>
<b>As at 1 January 2012</b>	252,293	53,189	-	-	4,828	314	(106,285)	204,339	-	204,339
Total comprehensive income	-	-	-	-	-	-	17,810	17,810	-	17,810
<b>Transactions with owners</b>										
Share options granted under ESOS	4	-	-	-	-	2	-	6	-	6
Forfeited of ESOS	-	-	-	-	-	1	21	22	-	22
<b>Total transactions with owners</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>21</b>	<b>28</b>	<b>-</b>	<b>6</b>
<b>As at 30 September 2012</b>	<b>252,297</b>	<b>53,189</b>	<b>-</b>	<b>-</b>	<b>4,828</b>	<b>317</b>	<b>(88,454)</b>	<b>222,177</b>	<b>-</b>	<b>222,177</b>

*This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.*

**KONSORTIUM LOGISTIK BERHAD**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013**

*The figures have not been audited.*

	9 months ended 30 September 2013 RM'000	9 months ended 30 September 2012 RM'000
Profit before tax	2,447	21,106
Adjustment Non Cash Item:		
Interest Income	(169)	(279)
Finance cost	2,781	2,904
Reversal of impairment loss on investment in associate	-	(7,923)
Impairment loss on other investment	-	135
Gain on disposal of property, plant & Equipment	(1,351)	(46)
Written off of property, plant & Equipment	191	-
Depreciation and amortization	13,825	13,145
Loss/(Gain) on disposal of associate	6,552	(890)
Staff cost - ESOS	-	25
(Reversal)/Provision of impairment loss in receivables	(164)	111
Other investment write off	182	-
<b>Cash Flow before Working Capital Changes</b>	<u>24,294</u>	<u>28,288</u>
Change in inventories	(22)	(203)
Change in receivables, deposits and prepayments	(6,538)	753
Change in payables and accruals	26	<u>(2,873)</u>
<b>Cash generated from Operations</b>	<u>17,760</u>	<u>25,965</u>
Interest received	169	279
Interest paid	(2,781)	(2,904)
Tax paid	<u>(5,091)</u>	<u>(5,242)</u>
<b>Net cash from operating activities</b>	<u>10,056</u>	<u>18,099</u>
Acquisition of Fixed Assets	(3,488)	(7,415)
Investment in associate	-	(817)
Proceeds from Sale of Fixed Assets	4,490	776
Proceeds from the disposal of Associate	<u>5,000</u>	<u>988</u>
<b>Cash Flow from/(used) in Investing</b>	<u>6,002</u>	<u>(6,468)</u>
Dividends Paid	(25,232)	(99,182)
Term Loan Repayment		
Term loan	(5,352)	(5,697)
Hire Purchase	(5,966)	(7,927)
Proceeds From Financing		
Bank loan	15,000	7,000
Hire Purchase	-	12,230
Restricted cash	(64)	501
Increase in share capital	<u>(1)</u>	<u>5</u>
<b>Cash Flow used in Financing</b>	<u>(21,615)</u>	<u>(93,071)</u>
Net decrease in cash & cash equivalents	(5,557)	(81,440)
Cash and cash equivalent at Beginning	<u>30,661</u>	<u>109,379</u>
Cash and cash equivalent at Ending	<u>25,104</u>	<u>27,939</u>
Cash and bank balances	23,685	27,939
Deposit with license banks	<u>2,437</u>	<u>955</u>
	26,122	28,894
Less: Restricted cash	<u>(1,018)</u>	<u>(955)</u>
Cash and cash equivalent	<u>25,104</u>	<u>27,939</u>

*This Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012.*

## **KONSORTIUM LOGISTIK BERHAD**

(Incorporated in Malaysia)

### **A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

#### **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 2012.

#### **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 2012 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 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**

The Company had on 24th July 2013 entered into an Agreement for the sale & purchase of shares to dispose of the entire 35% shares held in its associate company resulting in a one-off loss on disposal of RM6.4Mil.

Save for the above, there were no other exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2013.

#### **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.

A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2013  
(continued)

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 1.1.13	Granted	Exercised	Lapsed/ Forfeited	Balance as at 30.9.13
16.8.11	1.15	9,062,000	1,790,000	-	-	(29,000)	1,761,000
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	109,000	107,000	-	-	(4,000)	103,000
16.5.12	1.01	44,000	44,000	-	-	-	44,000
28.8.12	1.00	200,000	180,000	-	-	(61,000)	119,000
19.11.12	1.00	99,000	99,000	-	-	-	99,000
			2,444,000	-	-	(94,000)	2,350,000

(b) *Share buy back*

During the financial period, the Company repurchased a total 1,000 ordinary shares of RM1.00 each from the open market for a total consideration of RM1,187. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the companies Act, 1965.

A7. DIVIDEND PAID

In respect of the financial year ended 31 December 2012, the Company paid interim tax exempt dividend of 10 sen per ordinary share of RM1 each amounting to RM25,231,836 on 28 January 2013.

A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2013  
(continued)

A8. SEGMENT REPORTING

Analysis of the Group's revenue and results as at 30 September 2013 by operating segments are as follows:

	Logistics Service Organisation RM'000	Internal & External Affiliates RM'000	Shared Service Organisation RM'000	Consol Adjustment RM'000	Group Results RM'000
<b><u>Revenue</u></b>					
External sales	119,738	98,016	-	-	217,754
Inter-segment sales	625	7,633	-	(8,258)	-
<b>Total revenue</b>	<b><u>120,363</u></b>	<b><u>105,649</u></b>	<b><u>-</u></b>	<b><u>(8,258)</u></b>	<b><u>217,754</u></b>
<b><u>Profit</u></b>					
Segment results	17,520	1,794	(14,255)	-	5,059
Interest income	26	5	138	-	169
Finance costs	-	(1,109)	(1,672)	-	<u>(2,781)</u>
Profit from ordinary activities before taxation					2,447
Taxation					<u>(2,726)</u>
<b>Net profit for the period</b>					<b><u>(279)</u></b>

Analysis of the Group's revenue and results as at 30 September 2012 by operating segments are as follows:

	Logistics Service Organisation RM'000	Internal & External Affiliates RM'000	Shared Service Organisation RM'000	Consol Adjustment RM'000	Group Results RM'000
<b><u>Revenue</u></b>					
External sales	96,511	104,386	-	-	200,897
Inter-segment sales	-	8,436	-	(8,436)	-
<b>Total revenue</b>	<b><u>96,511</u></b>	<b><u>112,822</u></b>	<b><u>-</u></b>	<b><u>(8,436)</u></b>	<b><u>200,897</u></b>
<b><u>Profit</u></b>					
Segment results	11,579	10,616	1,536	-	23,731
Interest income	-	-	279	-	279
Finance costs	-	(1,882)	(1,022)	-	<u>(2,904)</u>
Profit from ordinary activities before taxation					21,106
Taxation					<u>(3,296)</u>
<b>Net profit for the period</b>					<b><u>17,810</u></b>



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A. NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2013  
(continued)

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuations of property, plant and equipment during the financial quarter under review.

A10. EVENTS AFTER THE INTERIM PERIOD

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 24th July 2013 entered into an Agreement for the sales & purchase of shares to dispose the entire 35% shares held in its associate company, Chong Fui Shipping & Forwarding Sdn Bhd.

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

A12. CONTINGENT LIABILITIES

There is no contingent liability for the Group.

**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 recorded lower revenue of RM60.7Mil for the quarter ended 30 September 2013, a decrease of 13.1% against the RM69.8Mil revenue achieved in the previous corresponding quarter. This was due to lower project logistics and haulage activities as well as low warehouse utilisation. This together with higher operating costs arising the implementation of minimum wage have led to a lower profit from operations of RM12.9Mil compared to RM16.3Mil in the previous corresponding quarter.

The Group also recorded a loss before tax of RM5.1Mil for the quarter ended 30 September 2013 against the profit before tax of RM3.5Mil in the previous corresponding quarter due to a one-off RM6.4Mil loss on disposal of an associate company. Excluding this one-off loss, recurring operational profit before tax for the quarter ended 30 September 2013 is RM1.3Mil.

Analysis of Quarter 3 results

	Q3 2013 (RM'000)	Q3 2012 (RM'000)	Variance (%)	YTD 2013 (RM'000)	YTD 2012 (RM'000)	Variance (%)
Revenue	60,674	69,811	(13.1)	217,754	200,897	8.4%
Operational profit before tax	1,263	3,536	(64.3)	10,411	12,292	(15.3%)
One-off non-recurring items	(6,402)	-	-	(7,964)	8,814	(190.4%)
(LBT)/PBT after exceptional items	(5,139)	3,536	-	2,447	21,106	(88.4%)

**B2. QUARTERLY RESULTS COMPARISON**

The Group recorded lower revenue of RM60.7Mil and loss before tax of RM5.1Mil in the current quarter compared to revenue of RM87.0Mil and profit before tax of RM7.3Mil achieved in the previous quarter ended 30 June 2013. This was attributed to lower activities in automotive logistics division and the one-off loss on disposal of an associate.

**B3. PROSPECT**

The outlook of the logistics industry remains increasingly challenging and the implementation of minimum wages and other costs increase have further affected overall margins. Management and Board of Directors intend to address these challenges by persisting with operational improvements to drive efficiency and continuous business development activities.

**B4. 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)**

**B5. TAXATION**

	<u>Current Quarter</u> <u>30/09/2013</u> RM'000	<u>Cumulative Quarter</u> <u>30/09/2013</u> RM'000
Taxation		
- income tax	205	2,643
- deferred taxation	152	83
	<u>357</u>	<u>2,726</u>

**B6. BANK BORROWINGS**

Details of the Group's borrowings as at 30 September 2013 are as follows:

	<u>30 September 2013</u>		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
<b><u>Current</u></b>			
Term loans	5,542	-	5,542
Banker's acceptance	5,344	-	5,344
Revolving credit	-	37,000	37,000
Hire purchase and finance lease liabilities	6,218		6,218
	<u>17,104</u>	<u>37,000</u>	<u>54,104</u>
<b><u>Non Current</u></b>			
Hire purchase and finance lease liabilities	7,039	-	7,039
	<u>7,039</u>	<u>-</u>	<u>7,039</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 13	9 months ended 30 Sept 12
Net (loss)/profit for the year (RM'000)	(279)	17,810
Ordinary shares in issue	252,319	252,293
Exercised of ESOS	-	4
	<u>252,319</u>	<u>252,297</u>
Weighted average number of ordinary shares	252,319	252,297
Basic earnings per share (sen)	(0.11)	7.06

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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**

	<b>Individual Quarter Ended 30.09.2013</b>	<b>Year to Date Ended 30.09.2013</b>
<b>After Charging:-</b>		
Finance cost	901	2,781
Depreciation and amortization	4,743	13,825
<b>After Crediting:-</b>		
Interest income	(31)	(169)
Gain on disposal of property, plant and equipment	(781)	(1,351)
Provision/(Reversal) of impairment loss in receivables	618	(164)
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**B11. DISCLOSURE ON REALISED AND UNREALISED PROFIT/LOSS**

The retained earnings as at 30 September 2013 is analysed as follows:-

	<b>30.09.2013 RM'000</b>
Total retained earnings of the Company and its subsidiaries:-	
- Realised	17,593
- Unrealised	(2,597)
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	14,996
Less: Consolidation adjustments	(130,194)
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Total group retained earnings as per consolidated financial statements	(115,198)
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