2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset of, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such part as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the valuation of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset valuation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement of disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the principal annual rates used for this purpose as follows:-

Warehouse buildings	2% - 5%
Office buildings	2%
Machinery, equipment, furniture and fittings	20% - 33 1/3%
Motor vehicles, lorries and trailers	20%

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy of recognition of impairment losses is in accordance with Note 2.11.

The residual value, useful live and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.11 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

2.12 Capital work-in-progress

Capital work-in-progress consists of expenditure incurred on the construction of property, plant and equipment which take a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of the construction, the cost will be transferred to property, plant and equipment.

2.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.14 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets as loans and receivables and available-for-sale financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Financial assets (cont'd)

a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise trade and other receivables including deposits and cash and cash equivalents.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at fair value through profit or loss, held-to-maturity investments and loans and receivables.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive payment is established.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active market are considerations to determine whether there is objective evidence that investment classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group's and the Company's other financial liabilities include trade payables, other payables including deposits and accruals, and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimated of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Borrowing costs

Borrowing costs are capitalised as part of a qualifying assets if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the assets for its intended use or sales are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Leases

a) Finance Lease – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

b) Operating Lease – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

c) Operating Lease – the Group as Lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Commissions and revenue from services are recognised when services are rendered.

Rental revenue is recognised on an accrual basis.

Dividends from subsidiaries, associates and other investments are recognised when the right to receive payment is established.

Interest revenue is recognised on a time proportion basis that reflects the effective yield of the asset.

2.22 Employee benefits

a) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.23 Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Tax expense (cont'd)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sale consideration and the carrying amount is recognised in equity.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.27 Contingencies (cont'd)

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

2.28 Government grants

Government grants are recognised in the consolidated financial statements initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the profit or loss as revenue on a systematic basis over the useful life of the asset. As the government grant is received for capital project, it is recognised as government grant received in advance. The government grant is recognised in profit or loss on a systematic basis over the useful life of the land use rights and warehouse buildings of 50 years.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements of the Group and of the Company require management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

a) Impairment of available-for-sale investments (Note 15)

The Group reviews its unquoted investments classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available-for-sale investments when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of a investment is less than its cost. During the year, the Group impaired unquoted instruments with "significant" decline in fair value greater than 20% and 30% respectively, and "prolonged" period as greater than 12 months or more.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

b) Useful lives of plant and equipment (Note 9)

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets and therefore, future depreciation changes could be revised.

c) Impairment of receivables (Note 16)

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

d) Deferred tax assets (Note 24)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

e) Extension of time in developing land use rights in Yantian, Shenzhen, China (Note 10)

The Group had experienced difficulties and delay in developing these land use rights. In May 2011, the Group submitted an application with the relevant Government Land Office in China requesting an extension of time for developing the land use rights. As of 31 December 2011, approval of such application was still in progress. The directors, in consultation with the solicitor, had considered the possibility that the Government Land Office would reject the extension application and force the Group to forfeit the land use rights to be relatively remote.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

f) Penalty payable for time extension in developing land use rights in Yantian, Shenzhen, China (Note 29)

In the prerious financial year, in connection with the time extension application for developing land use rights in Yantian, Shenzhen, China, the directors had made a provision representing 10% of the land consideration, being 50% of the maximum rate of 20% as stated in the Land Law in China. In choosing the 10% rate, the directors had considered advice from consultants engaged by the Group and the ongoing rate charged by the Government Land Office in China in similar cases in the past.

g) Impairment of investments, amount owing by snbsidiaries and jointly contnolled entities (Notes12, 13 and 14)

The directors review the investments, amount owing by snbsidiaries and jointly contnolled entities for impairment when there is an indication of impairment. This involves measuring the recoverable amount which includes fair value less costs to sell and valuation techniques. Valuation techniques includes amongst others, discounted others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation. For quoted investment, the directors make impairment loss based on assessment whether the decline in the market value is of permanent in nature together with the assessment on the prospect of the business. Where expectations differ from the original estimate, the differences will impact the carrying amount of these investments.

4. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Warehousing and related value added services	117,945,983	110,077,888	-	-
Transportation distribution, freight forwarding and haulage services	19,977,337	23,696,200	-	-
Dividend revenue	-	-	7,043,400	12,600,000
	137,923,320	133,774,088	7,043,400	12,600,000

5. FINANCE COSTS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Interest expense on:				
Bank loans and bank overdrafts	3,174,912	2,934,169	-	109 194
Shareholder's loan	1,178,073	1,058,982	-	-
Obligations under finance leases	-	1,922	-	1 922
	4,352,985	3,995,073	-	111,116

6. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Depreciation of property, plant and equipment	9,245,568	7,650,765	345,708	312,750
Amortisation of land use rights	1,772,454	2,306,541	-	-
Auditors' remuneration				
- audit services				
- current year	243,251	224,964	50,000	20,000
- under provision in previous year	30,000	-	30,000	-
- other services by auditors of the Company	8,600	5,000	8,600	5,000
Bad debts written off	150,344	-	-	-
Capital work-in-progress written off	148,649	-	-	-
Deposits written off	5,100	-	-	-
Directors' remuneration *				
- fees	276,255	216,390	216,000	156,000
- other emoluments	4,098,469	3,235,230	1,626,463	1,279,423
Impairment loss on investment in subsidiaries	-	-	45,000	18,666,730
Impairment loss on investment in associates	-	946,581	-	-
Loss/(Gain) on disposal of property, plant and equipment	78,406	(8,891,991)	-	(8,863,809)
Gain on disposal of subsidiaries	(2,028,236)	(4,214,417)	-	-
Government subsidies	(1,116,416)	(550,737)	-	-
Loss/(Gain) on disposal of associates	-	792,614	-	(977,215)
Property, plant and equipment written off	-	9,402	-	-
Provision for/(Reversal of) employee benefits	404	(36,120)	404	(36,120)
Rental of premises, land and buildings	24,028,734	22,279,032	519,309	-
Rental of vehicles and equipment	12,594	15,498	12,594	15,498
Reversal of impairment loss on receivables	-	(53,125)	-	-
Waiver of debts by creditors	-	(20,670)	-	-
Waiver of debts by subsidiaries	-	-	-	(9,949,517)
Waiver of debts by associates	-	(211,501)	-	(211,501)
Staff costs				
- Contribution to defined contribution plan	57,190	42,175	57,190	42,175
- Salaries and others	35,895,218	31,378,656	778,724	566,734
(Reversal of)/Provision for land penalty	(3,483,172)	3,490,976	-	-
Government grant income	(91,576)	(36,041)	-	-
Interest expense	4,352,985	3,995,073	-	111,116
(Gain)/Loss on realised foreign exchange	(49,422)	(3,066,606)	79,310	63,815
Loss/(Gain) on unrealised foreign exchange	13,679	(32,165)	5,958,958	(4,855,040)
Interest revenue				
- banks	(1,112,407)	(1,306,590)	(884,614)	(1,098,393)
- amount owing by subsidiaries	-	-	(2,345,091)	(2,232,332)
- amount owing by a jointly controlled entity	(775,223)	(203,226)	(775,223)	(203,226)

6. PROFIT BEFORE TAX (cont'd)

* Included in directors' remuneration were aggregate amount of remuneration received and receivable by the directors of the Company during the financial year as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Executive directors				
- fees	60,255	60,390	-	-
- other emoluments	3,981,249	3,114,250	1,509,243	1,158,443
Total executive directors' remuneration	4,041,504	3,174,640	1,509,243	1,158,443
Non-executive directors				
- fees	216,000	156,000	216,000	156,000
- other emoluments	117,220	120,980	117,220	120,980
Total non-executive directors' remuneration	333,220	276,980	333,220	276,980
Total directors' remuneration	4,374,724	3,451,620	1,842,463	1,435,423

The monetary value of benefits-in-kind of the Group and of the Company provided to certain directors of the Company amounted to RM248,590 (2011: RM265,999) and RM95,200 (2011: RM95,200) respectively.

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Number of Directors	
	2012	2011
Executive:		
RM650,001 - RM700,000	-	2
RM800,001 - RM850,000	1	-
RM1,150,001 - RM1,200,000	1	-
RM1,750,001 - RM1,800,000	-	1
RM2,000,001 - RM2,050,000	1	-
Non-Executive:		
Independent		
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	1	1
Non-Independent		
RM50,001 - RM100,000	1	1

NOTES TO THE FINANCIAL STATEMENTS

7. TAX EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current income tax				
- Malaysian tax	121,000	(664,000)	121,000	2,486,000
- Foreign tax	4,823,297	4,136,183	-	-
- Under/(Over) provision in respect of prior financial years	219,534	(253,803)	219,534	564,750
	5,163,831	3,218,380	340,534	3,050,750
Deferred tax (Note 24)				
- Origination and reversal of temporary differences	422,061	517,172	(1,400)	(53,800)
- Over provision in respect of prior financial years	(15,300)	-	(15,300)	-
	406,761	517,172	(16,700)	(53,800)
Tax expense recognised in profit or loss	5,570,592	3,735,552	323,834	2,996,950

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit before tax	7,008,021	18,542,168	716,521	18,482,566
Tax at Malaysian statutory tax ratc of 25% (2011 : 25%)	1,752,000	4,635,500	179,100	4,620,600
Different tax rates in other countries	(175,000)	579,700	-	-
Adjustments:				
Share of results of associates	(150,800)	(79,800)	-	-
Share of results of jointly controlled entities	1,196,100	167,000	-	-
Tax effect of non-taxable revenue	(3,778,700)	(3,781,900)	(2,617,800)	(7,009,600)
Tax effect of non-deductible expenses	5,374,758	1,792,555	2,558,300	4,821,200
Tax effect of withholding tax in foreign subsidiaries	1,234,400	594,600	-	-
Utilisation of deferred tax assets not recognised in prior financial years	(89,400)	(1,200)	-	-
Deferred tax assets not recognised during the financial year	3,000	82,900	-	-
Under/(Over) provision in prior financial years				
- current income tax	219,534	(253,803)	219,534	564,750
- deferred tax	(15,300)	-	(15,300)	-
Tax expense recognised in profit or loss	5,570,592	3,735,552	323,834	2,996,950

7. TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year.

Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each jurisdiction.

The Company has tax exempt income available for distribution by way of tax exempt dividend of approximately RM21,411,400 (2011: RM14,884,500). The tax exempt income is in respect of chargeable income of which income tax had been waived and second tier dividend income.

The Group has unutilised tax losses of RM336,000 (2011: RM1,835,900) available for set-off against future taxable profits.

8. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per share are calculated by dividing profit for the financial year attributable to owners of parent by the weighted average number of ordinary shares outstanding during the financial year.

The diluted (loss)/earnings per share is not applicable for the current financial year as the Group does not have dilutive potential ordinary shares as at the reporting date.

	Group	
	2012	2011
	RM	RM
(Loss)/Profit for the financial year attributable to owners of the parent	(102 235)	13,001,608
Weighted average number of ordinary shares for basic (loss)/earnings per share computation*	175,447,120	182,751,821

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

9. PROPERTY, PLANT AND EQUIPMENT

Group	Warehouse and Office Buildings RM	Machinery, Equipment, Furniture and Fittings RM	Motor Vehicles, Lorries and Trailers RM	Total RM
Cost/Valuation				
At 1.1.2012	253,460,699	20,467,576	5,702,710	279,630,985
Translation differences	(8,959,789)	(714,944)	(150,110)	(9,824,843)
Additions	4,483,656	571,809	-	5,055,465
Adjustment on revaluation	30,944,855	-	-	30,944,855
Elimination of accumulated depreciation on revaluation	(17,458,010)	-	-	(17,458,010)
Disposals	(316,300)	(112,760)	(138,010)	(567,070)
At 31.12.2012	262,155,111	20,211,681	5,414,590	287,781,382
Accumulated Depreciation and Impairment				
At 1.1.2012	13,001,495	14,532,871	2,185,541	29,719,907
Translation differences	(544,549)	(546,431)	(71,723)	(1,162,703)
Charge for the financial year	5,800,460	2,448,094	997,014	9,245,568
Elimination of accumulated depreciation on revaluation	(17,458,010)	-	-	(17,458,010)
Disposals	(94,833)	(108,880)	(138,010)	(341,723)
At 31.12.2012	704,563	16,325,654	2,972,822	20,003,039
Net Carrying Amount				
At 31.12.2012	261,450,548	3,886,027	2,441,768	267,778,343

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold Land RM	Warehouse and Office Buildings RM	Machinery, Equipment, Furniture and Fittings RM	Motor Vehicles, Lorries and Trailers RM	Total RM
Cost/Valuation					
At 1.1.2011	8,029,945	173,407,210	15,238 940	5,019,554	201,695,649
Translation differences	-	12,590,867	1,246,764	99,580	13,937,211
Additions	-	406,830	4,244,316	783,650	5,434,796
Transfer from capital work-in-progress (Note 11)	-	67,080,552	-	-	67,080,552
Disposals	(8,029,945)	-	-	(200,074)	(8,230,019)
Written off	-	(24,760)	(262,444)	-	(287,204)
At 31.12.2011	-	253,460,699	20,467,576	5,702,710	279,630,985
Accumulated Depreciation					
At 1.1.2011	-	7,871,053	11,394,932	1,500,117	20,766,102
Translation differences	-	818,381	1,027,376	(64,841)	1,780,916
Charge for the financial year	-	4,336,821	2,363,605	950,339	7,650,765
Disposals	-	-	-	(200,074)	(200,074)
Written off	-	(24,760)	(253,042)	-	(277,802)
At 31.12.2011	-	13,001,495	14,532,871	2,185,541	29,719,907
Net Carrying Amount					
At 31.12.2011	-	240,459,204	5,934,705	3,517,169	249,911,078
At 1.1.2011	8,029,945	165,536,157	3,844,008	3,519,437	180,929,547

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in the warehouse and office buildings of the Group is warehouse and office renovation with the cost and carrying amount as follow:-

	Group 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Cost	838,497	1,334,623	880,790
Net carrying amount	332,243	897,876	701,717

Analysis of cost and valuation:-

Group	**Warehouse and Office Buildings RM**	**Machinery, Equipment, Furniture and Fittings RM**	**Motor Vehicles, Lorries and Trailers RM**	**Total RM**
31.12.2012				
Cost/Valuation				
At cost	196,994,758	20,211,681	5,414,590	222,621,029
At valuation - 2012	65,160,353	-	-	65,160,353
	262,155,111	20,211,681	5,414,590	287,781,382
Net Carrying Amount				
At cost	176,313,928	3,886,027	2,441,768	182,641,723
At valuation - 2012	85,136,620	-	-	85,136,620
	261,450,548	3,886,027	2,441,768	267,778,343

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Analysis of cost and valuation:- (cont'd)

Group	Freehold Land RM	Warehouse and Office Buildings RM	Machinery, Equipment, Furniture and Fittings RM	Motor Vehicles, Lorries and Trailers RM	Total RM
31.12.2011					
Cost/Valuation					
At cost	-	99,619,473	20,467,576	5,702,710	125,789,759
At valuation - 2008	-	153,841,226	-	-	153,841,226
	-	253,460,699	20,467,576	5,702,710	279,630,985
Net Carrying Amount					
At cost	-	97,356,689	5,934,705	3,517,169	106,808,563
At valuation - 2008	-	143,102,515	-	-	143,102,515
	-	240,459,204	5,934,705	3,517,169	249,911,078
1.1.2011					
Cost/Valuation					
At cost	616,000	29,685,262	15,238,940	5,019,554	50,559,756
At valuation - 2008	7,413,945	143,721,948	-	-	151,135,893
	8,029,945	173,407,210	15,238,940	5,019,554	201,695,649
Net Carrying Amount					
At cost	616,000	28,298,747	3,844,008	3,519,437	36,278,192
At valuation - 2008	7,413,945	137,237,410	-	-	144,651,355
	8,029,945	165,536,157	3,844,008	3,519,437	180,929,547

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Free hold land RM	Equipment, Furniture and Fittings RM	Motor vehicles RM	Total RM
Cost				
At 1.1.2012	-	255,476	1,458,215	1 713 691
Additions	-	23,749	-	23,749
At 31.12.2012	-	279,225	1,458,215	1,737,440
Accumulated Depreciation				
At 1.1.2012	-	117,816	450,326	568,142
Charge for the financial year	-	54,065	291,643	345,708
At 31.12.2012	-	171,881	741,969	913,850
Net Carrying Amount				
At 31.12.2012	-	107,344	716,246	823,590
Cost				
At 1.1.2011	8,029,945	170,456	1,290,449	9,490,850
Additions	-	85,020	167,766	252,786
Disposal	(8,029,945)	-	-	(8,029,945)
At 31.12.2011	-	255,476	1,458,215	1,713,691
Accumulated Depreciation				
At 1.1.2011	-	88,321	167,071	255,392
Charge for the financial year	-	29,495	283,255	312,750
At 31.12.2011	-	117,816	450,326	568,142
Net Carrying Amount				
At 31.12.2011	-	137,660	1,007,889	1,145,549
At 1.1.2011	8,029,945	82,135	1,123,378	9,235,458

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

a) During the financial year, the warehouse and office buildings were revalued by the directors based on independent professional valuations on the open market value basis.

The net carrying amount of these property, plant and equipment had no revaluation been made are as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Freehold land	-	-	6,431,562
Buildings	175,981,686	115,016,876	104,183,417

b) As at 1.1.2011, the Group and the Company acquired motor vehicle with an aggregate cost of RM490,000 by means of hire purchase arrangement.

As at 1.1.2011, the property, plant and equipment held under hire purchase financing was as follows:-

	Group/ Company
	RM
Cost	686,699
Net carrying amount	606,584

c) The net book values of property, plant and equipment pledged to the financial institutions as security for borrowings (Note 31) are as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Net carrying amount			
Warehouse and office buildings	261,316,616	172,743,207	165,033,704

10. LAND USE RIGHTS

	Group	
	31.12.2012	31.12.2011
	RM	RM
At 1 January	109,193,159	127,331,443
Amortisation for the financial year	(1,772,454)	(2,306,541)
Disposal of subsidiary (Note 12)	(33,113,851)	(24,927,484)
Translation differences	(3,998,317)	9,095,741
At 31 December	70,308,537	109,193,159

The Group has land use rights located in Henan, Shenzhen and Suzhou in The People's Republic of China ("PRC") where the Group's warehousing facilities reside under medium lease terms for a duration of 50 years. Certain land use rights with carrying amounts of RM49,367,010 (31.12.2011: RM52,372,250 and 1.1.2011: RM49,523,304) are charged as security for bank borrowing facilities as disclosed in Note 31.

Included in the land use rights in the previous financial year is land use rights in Yantian, Shenzhen with a net book value of approximately RM34,018,027 of which the Group had experienced difficulties and delay in developing these land use rights. These land use rights were subsequently disposed during the financial year upon the disposal of a subsidiary, ISH Logistics Yantian (Shenzhen) Company Limited as disclosed in Note 12.

11. CAPITAL WORK-IN-PROGRESS

	Group	
	31.12.2012	31.12.2011
	RM	RM
At cost,		
At 1 January	907,772	38,939,177
Additions	17,438,564	25,802,402
Translation differences	(29,423)	3,246,745
Written off	(148,649)	-
Transfer to property, plant and equipment (Note 9)	-	(67,080,552)
	18,168,264	907,772

This is in respect of construction of the warehouse buildings of the Group. The balance of the capital commitment is disclosed in Note 37.

12. SUBSIDIARIES

	Company 31.12.2012 RM	Company 31.12.2011 RM
Unquoted shares, at cost		
At 1 January	44,816,197	44,816,195
Additions	-	2
At 31 December	44,816,197	44,816,197
Less: Accumulated impairment losses		
At 1 January	22,888,000	4,221,270
Additions	45,000	18,666,730
At 31 December	22,933,000	22,888,000
Amounts owing by subsidiaries	19,054,350	19,749,870
	40,937,547	41,678,067

Amounts owing by the subsidiaries are non-trade in nature, unsecured and interest free. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment losses.

In the opinion of the directors, the value of the investments in subsidiaries is not less than the carrying amount reflected in the statement of financial position of the Company.

The subsidiaries are as follows:-

	Name of Company	Country of Incorporation	P rincipal Activities	Effective Equity Interest 31.12.2012	Effective Equity Interest 31.12.2011
	Integrated Forwarding & Shipping Berhad	Malaysia	Ceased operations	100%	100%
	Integrated Freight Services Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
@#	Integrated Leasing Corporation Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
	Integrated Haulage Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
@&	Business Protocol Sdn. Bhd.	Malaysia	Dormant	100%	100%
@	ILB International (BVI) Limited	British Virgin Islands	Investment holding	100%	100%
	Subsidiary of ILB International (BVI) Limited				
@	ISH Logistics Group Limited	Grand Cayman Island	Investment holding	70%	70%

12. SUBSIDIARIES (cont'd)

The subsidiaries are as follows:- (cont'd)

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2012	31.12.2011
Subsidiary of ISH Logistics Group Limited				
@ ISH Group (BVI) Limited	British Virgin Islands	Investment holding	70%	70%
Subsidiary of ISH Group (BVI) Limited				
@ Integrated Logistics (H.K.) Limited	Hong Kong	Investment holding, warehousing and related value added services and transportation	70%	70%
Subsidiaries of Integrated Logistics (H.K.) Limited				
@ ISH Logistics (Shenzhen) Limited	Hong Kong	Investment holding	-	70%
@ ISH Logistics (Shanghai) Limited	Hong Kong	Investment holding	70%	70%
@ ISH Logistics (Shenzhen II) Limited	Hong Kong	Investment holding	70%	70%
@ Integrated Logistics Henan (H.K.) Limited	Hong Kong	Investment holding	70%	70%
@ Integrated Logistics (China) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
@ Integrated Etern Logistics (Suzhou) Limited	The People's Republic of China	Warehousing and related value added services and transportation	45.5%	45.5%
@ ISH Cargo Services (H.K.) Company Limited (formerly known as Harbin ISH Logistics (H.K.) Company Limited)	Hong Kong	Investment holding	70%	70%
@ Changchun ISH Logistics (H.K.) Limited	Hong Kong	Investment holding	70%	70%

12. SUBSIDIARIES (cont'd)

The subsidiaries are as follows:- (cont'd)

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2012	31.12.2011
	Subsidiaries of ISH Logistics (Shenzhen) Limited				
@	Integrated Shun Hing Logistics (Shenzhen) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	*	70%
@	ISH Logistics Yantian (Shenzhen) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	-	70%
	Subsidiary of ISH Logistics (Shanghai) Limited				
@	Integrated Shun Hing Logistics (Shanghai) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
	Subsidiary of ISH Logistics (Shenzhen II) Limited				
@	Shenzhen ISH Logistics Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
	Subsidiary of Integrated Logistics Henan (H.K.) Limited				
@	Henan ISH Logistics Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%

12. SUBSIDIARIES (cont'd)

The subsidiaries are as follows: - (cont'd)

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2012	31.12.2011
	Subsidiary of ISH Cargo Services (H.K.) Company Limited (formerly known as Harbin ISH Logistics (H.K.) Company Limited)				
@	Integrated Shun Hing Logistics (Shenzhen) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	*
	Subsidiaries of Shenzhen ISH Logistics Company Limited				
@	Xiamen ISH Logistics Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
@	Beijing ISH Logistics Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
@	Chongqing ISH Logistics Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	45.5%	45.5%

Integrated Leasing Corporation Sdn. Bhd., a wholly - owned subsidiary of the Company has been on 19 December 2012 placed under Member's Voluntary Winding - up pursuant to Section 254(1)(b) of the Companies Act, 1965.

& Business Protocol Sdn. Bhd. is in the process of striking off.

@ Audited by another professional firms of accountants

© Unaudited and was consolidated using management financial statements

* The entire equity interest in Integrated Shun Hing Logistics (Shenzhen) Company Limited was transferred from ISH Logistics (Shenzhen) Limited to ISH Cargo Services (H.K.) Company Limited (formerly known as Harbin ISH Logistics (H.K.) Company Limited) as disclosed in note (d).

a) The shares of ISH Logistics (Shanghai) Limited with investment carrying amount of RM15,860,000 (31.12.2011: RM16,356,000 and 1.1.2011: RM15,856,000) are pledged to a financial institution as security for borrowings (Note 31).

b) In 2011, Shenzhen ISH Logistics Company Limited, a wholly-owned subsidiary of ISH Logistics (Shenzhen II) Company Limited of which the Group has 70% effective equity interest, incorporated a wholly-owned subsidiary in The People's Republic of China, namely Beijing ISH Logistics Company Limited, with a registered capital of RMB1,000,000.

12. SUBSIDIARIES (cont'd)

c) In 2011, the Company acquired 2 ordinary shares of RM1 each in Business Protocol Sdn. Bhd., representing 100% of the issued and paid up share capital for a total cash consideration of RM2.

d) Disposal of subsidiaries

31.12.2012

On 20 August 2012, Integrated Logistics (H.K.) Limited and ISH Group (BVI) Limited, indirect subsidiaries in which the Company has 70% effective equity interest, had completed the share sale in relation to the Share Transfer Agreement dated 5 June 2012 entered with On Yip Property (Group) Limited for the sale of 100% equity interests in ISH Logistics (Shenzhen) Limited ("ISH HK"). ISH HK is an investment holding company which owns 100% equity stake in ISH Logistics Yantian (Shenzhen) Company Limited ("ISH Yantian") and Integrated Shun Hing Logistics (Shenzhen) Company Limited ("ISH Shenzhen"). ISH Yantian owns the land use rights of a piece of development land located at Yantian Port Free Trade Zone, Shenzhen, The People's Republic of China. ISH Shenzhen which is to be excluded from the share sale, has been transferred to ISH Cargo Services (H.K.) Company Limited, an indirect 70% subsidiary of the Company.

31.12.2011

On 18 July 2011, Integrated Logistics (China) Company Limited, a wholly-owned subsidiary of Integrated Logistics (H.K.) Limited, of which the Group had 70% effective equity interest, had completed the share sales in relation to the Share Sale Agreement dated 2 June 2011 entered into with Shanghai Zhong Se Realty Company Limited, for the sale of 100% equity interest in the subsidiary, Integrated Shun Hing Logistics (Lingang) Company Limited, who owned the land located at No.A2304-B, Yangshan Free Trade Zone, The People's Republic of China.

Effect of disposal on the financial position of the Group:-

	31.12.2012 RM	31.12.2011 RM
Land use rights	33,113,851	24,927,484
Cash and cash equivalents	15	817,564
Other payables	-	(1,661,888)
Translation differences	604,360	(371,054)
Net assets and liabilities	33,718,226	23,712,106
Cash consideration received	(35,746,462)	(27,926,523)
Gain on disposal of investment in subsidiaries	(2,028,236)	(4,214,417)
Net cash inflow arising from disposal:		
Cash consideration received	35,746,462	27,926,523
Cash and cash equivalents	(15)	(817,564)
Translation differences	174,166	478,316
	35,920,613	27,587,275

13. INTEREST IN ASSOCIATES

	Group		Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 January	10,988,300	15,007,500	11,007,500	15,007,500
Disposal	-	(4,000,000)	-	(4,000,000)
Capital repayments	-	(19,200)	-	-
At 31 December	10,988,300	10,988,300	11,007,500	11,007,500
Quoted shares outside Malaysia, at cost				
At 1 January	48,706,517	48,706,517	-	-
Additions	11,061,583	-	-	-
At 31 December	59,768,100	48,706,517	-	-
Less: Accumulated impairment losses	(136,242)	(136,242)	-	-
Share of results:				
At 1 January	4,293,357	2,175,356	-	-
Additions	603,319	2,118,001	-	-
At 31 December	4,896,676	4,293,357	-	-
Exchange differences	(3,836,615)	(2,103,995)	-	-
	71,680,219	61,747,937	11,007,500	11,007,500
The Group's investments in associates are represented by:-				
Group's share of net assets	71,680,219	61,747,937		
Market value:				
Quated shares outside Malaysia	19,357,166	30,796,485		

13. INTEREST IN ASSOCIATES (cont'd)

The associates are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2012	31.12.2011
Integrated Mits Sdn. Bhd.	Malaysia	Warehousing and related value added services	50%	50%
Integrated Cargo Services Sdn. Bhd.	Malaysia	Shipping solution services	-	50%
Interest held through Integrated Logistics (H.K.) Ltd.				
** Shanghai Puhwa Logistics Company Limited	The People's Republic of China	Warehousing and transportation	24.5%	24.5%
** Hengyang Petrochemical Logistics Limited	Singapore	Investment holding	18.1%	17.8%

** Audited by another professional firms of accountants.

(a) The Group has not recognised losses relating to Shanghai Puhwa Logistics Company Limited where it had been fully impaired in last financial year and its share of losses exceeds the Group's interest in this associate. There is no annual financial statements available for the unrecognised losses. The Group has no obligation in respect of these losses.

13. INTEREST IN ASSOCIATES (cont'd)

(b) Hengyang Petrochemical Logistics Limited ("Hengyang") is a public limited liability company, listed on the Catalist of the Singapore Exchange Securities Trading Limited. The principal activities of the Company are that of storage, dispatch and drumming of liquid chemical and oil products.

On 8 February 2012, Integrated Logistics (H.K.) Limited ("ILHK"), an indirect subsidiary in which the Company has 70% effective equity interest, has subscribed for the rights issue of 15,000,000 ordinary shares of Hengyang Petrochemical Logistics Limited ("Hengyang") pursuant to the Hengyang's rights issue exercise for a total consideration of SGD4.5 million (equivalent to approximately RM11,061,583). The effective equity interest of the Group in Hengyang had changed from 17.8% to 18.1%.

The results of Hengyang have been accounted for based on the public announcement of Hengyang for the financial year ended 31 December 2012.

In the previous financial year, the results of Hengyang was based on nine-month period financial statements based on public quarterly announcement for the financial period ended 30 September 2011, and adjusted for accrued after-tax profit for the last quarter of 2011 in the subsequent financial year based on actual results.

(c) In July 2011, Integrated Cargo Services Sdn. Bhd. had at its Extraordinary General Meetings resolved by its members to voluntarily wind-up the company by way of Members' Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965. The liquidation has been completed during the financial year.

(d) The summarised financial information of the associates is as follows:-

	31.12.2012 RM	31.12.2011 RM
Assets and Liabilities:		
Total assets	513,508,256	320,303,133
Total liabilities	277,132,972	135,384,660
Results:		
Revenue	56,778,548	40,742,329
Profit for the financial year	2,796,544	9,139,153

(e) Disposal of associate

In the previous financial year, the Company had completed the disposal in relation to the Share Sale Agreement dated 27 December 2011 entered into with Distinct Capital Pte. Ltd., for the sale of its 50% equity interest in KP Integrated Sdn. Bhd. which has a 90% equity interest in KPI Warehouse Holdings Inc., a company incorporated under the Philippine laws for a total consideration of RM1,000,000.

13. INTEREST IN ASSOCIATES (cont'd)

(e) Disposal of associate (contd)

Financial impact of the disposal to the Group and the Company is as follow:-

	Group 31.12.2011 RM	Company 31.12.2011 RM
Cost of investment	4,000,000	4,000,000
Less: Accumulated impairment	(3,977,215)	(3,977,215)
Carrying value of investment at date of disposal	22,785	22,785
Share of translation reserve	1,775,101	-
Share of capital reserve	(5,272)	-
Net assets and liabilities	1,792,614	22,785
Cash consideration received	(1,000,000)	(1,000,000)
Loss/(Gain) on disposal of investment in an associate	792,614	(977,215)

14. INTEREST IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	31.12.2012 RM	31.12.2011 RM	31.12.2012 RM	31.12.2011 RM
Unquoted shares, at cost				
At 1 January	35,066,081	35,066,081	34,716,902	34,716,902
Additions	-	-	-	-
	35,066,081	35,066,081	34,716,902	34,716,902
Share of results:				
At 1 January	(5,907,952)	(4,966,328)	-	-
Share of results for the financial year	(4,784,503)	(941,624)	-	-
At 31 December	(10,692,455)	(5,907,952)	-	-
Exchange differences	(2,504,919)	(1,470,762)	-	-
	21,868,707	27,687,367	34,716,902	34,716,902
Amount owing by jointly controlled entities	20,324,074	20,879,721	20,324,074	20,879,721
	42,192,781	48,567,088	55,040,976	55,596,623
The Group's investments in jointly controlled entities is represented by:-				
Group's share of net assets	42,192,781	48,567,088		

14. INTEREST IN JOINTLY CONTROLLED ENTITIES (cont'd)

Amount owing by a jointly controlled entity is non-trade in nature, unsecured and interest free. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. The Group's intension is to provide adequate funds to the jointly controlled entities to meet their liabilities as and when they fall due. As these amounts are, in substance, a part of the entity's net investment in the jointly controlled entities, it is stated at cost less accumulated impairment losses.

The jointly controlled entities are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 31.12.2012	Effective Equity Interest 31.12.2011
* Integrated National Logistics Limited	United Arab Emirates	Warehousing and related value added services	50%	50%
* Chongqing ISH Sunga Customs Broker Company Limited	The People's Republic of China	Customs service	35%	35%

* Audited by another professional firms of accountants.

The summarised financial information of the jointly controlled entities is as follows:-

	31.12.2012 RM	31.12.2011 RM
Assets and Liabilities:		
Total assets	251,329,588	238,339,429
Total liabilities	166,690,252	140,899,233
Results:		
Revenue	1,702,459	187,706
Loss for the financial year	(9,569,007)	(1,609,634)
Exepnses, including financial costs / income and tax expense	11,271,466	1,906,029

15. OTHER INVESTMENTS

	Group 31.12.2012 RM	Group 31.12.2011 RM	Company 31.12.2012 RM	Company 31.12.2011 RM
Available-for-sale financial assets				
Golf club memberships				
At 1 January	1,325,269	1,124,151	134,937	71,352
Addition	350,000	-	350,000	-
Translation differences	(30,603)	132,660	(4,608)	4,125
Change in fair value	(159,202)	68,458	145,911	59,460
At 31 December	1,485,464	1,325,269	626,240	134,937

16. RECEIVABLES

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Trade receivables						
- external parties	36,034,994	34,285,778	22,785,862	-	-	-
Less: Allowance for impairment	(376,133)	(376,133)	(456,680)	-	-	-
	35,658,861	33,909,645	22,329,182	-	-	-
Other receivables, deposits and prepayments (Note 27)	17,341,976	19,763,583	23,644,677	1,253,191	863,765	5,905,965
	53,000,837	53,673,228	45,973,859	1,253,191	863,765	5,905,965

Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.12.2011 and 1.1.2011: 30 to 90 days) credit terms. They are recognised at their original invoices amounts which represent their fair value on initial recognition.

The foreign currency exposure profile of the trade receivables for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Total RM
Functional currency of Group of companies			
31.12.2012			
Chinese Renminbi	4,887,425	3,954,813	8,842,238
31.12.2011			
Chinese Renminbi	3,904,612	3,318,646	7,223,258
1.1.2011			
Chinese Renminbi	3,944,000	1,758,736	5,702,736

16. RECEIVABLES (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Neither past due nor impaired	28,489,503	29,623,768	19,463,078
90 to 180 days past due not impaired	6,922,325	3,251,946	2,866,104
180 to 360 days past due not impaired	247,033	1,033,931	-
	7,169,358	4,285,877	2,866,104
Impaired	376,133	376,133	456,680
	36,034,994	34,285,778	22,785,862

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM7,169,358 (31.12.2011: RM4,285,877 and 1.1.2011: RM2,866,104) that are past due at the reporting date but not impaired.

No impairment loss on trade receivables has been made as, in the opinion of the management, the debts would be collected in full within the next twelve months.

The Group does not hold any collateral or other credit enhancements over these balances.

16. RECEIVABLES (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date is as follows:-

	Individually impaired		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Trade receivables	376,133	376,133	456,680
Less: Allowance for impairment	(376,133)	(376,133)	(456,680)
	-	-	-

Movement in allowance accounts:

	Group	
	31.12.2012	31.12.2011
	RM	RM
At 1 January	376,133	456,680
Written off	-	(40,272)
Reversal of impairment losses	-	(40,275)
At 31 December	376,133	376,133

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements and under legal case.

17. AMOUNTS OWING BY/TO SUBSIDIARIES

The amount owing by a subsidiary, ISH Group (BVI) Limited, is non-trade in nature, unsecured and bears effective interest at a rate of 2.41% (31.12.2011: 2.30% and 1.1.2011: 2.33%) per annum.

The amounts owing to subsidiaries are non-trade in nature, unsecured, interest free and are repayable on demand by cash.

18. AMOUNT OWING BY A JOINTLY CONTROLLED ENTITY

The amount owing by a jointly controlled entity, Integrated National Logistics Limited, is non-trade in nature, unsecured, repayable in years 2016 and 2017 and bears effective interest at a rate of 4.0% (31.12.2011: 4.0% and 1.1.2011: Nil) per annum.

19. TAX ASSETS

This amount is in respect of tax paid in advance to the tax authorities.

20. CASH AND CASH EQUIVALENTS

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM	RM
Deposits with licensed banks	21,572,468	32,722,969	40,000,000	5,000,000	20,617,893	40,000,000
Money market unit trusts	-	4,826,851	27,487,200	-	4,826,850	27,487,200
Cash at banks and on hand	25,638,691	68,356,705	61,325,850	5,155,232	18,775,960	3,581,390
	47,211,159	105,906,525	128,813,050	10,155,232	44,220,703	71,068,590

The deposits with licensed banks bear effective interest at rates ranging from 2.75% to 3.15% (31.12.2011: 2.57% to 3.83% and 1.1.2011: 1.93% to 4.52%) per annum.

Cash at banks earn interest at floating rates based on daily deposit rates.

The foreign currency exposure profile for the Group is as follows:-

	Hong Kong Dollar	United States Dollar	Japanese Yen	Singapore Dollar	Total
	RM	RM	RM	RM	RM
Functional currency of Group of companies					
31.12.2012					
Ringgit Malaysia	-	353,044	-	-	353,044
Chinese Renminbi	4,123,821	2,499,885	1,877	22,219	6,647,802
	4,123,821	2,852,929	1,877	22,219	7,000,846
31.12.2011					
Ringgit Malaysia	-	849,535	45,100	-	894,635
Chinese Renminbi	19,034,578	2,340	5,895,407	21,897	24,954,222
	19,034,578	851,875	5,940,507	21,897	25,848,857
1.1.2011					
Ringgit Malaysia		760,452	41,580	-	802,032
Chinese Renminbi	28,410,428	5,651,807	2,134	-	34,064,369
	28,410,428	6,412,259	43,714	-	34,866,401

21. PAYABLES

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM	RM
Trade payables	5,737,916	4,260,046	4,449,576	-	-	-
Other payables, deposits and accruals (Note 28)	25,555,431	22,699,971	16,602,456	1,809,819	1,336,009	2,317,612
Provisions (Note 29)	13,376	3,503,948	49,092	13,376	12,972	49,092
	31,306,723	30,463,965	21,101,124	1,823,195	1,348,981	2,366,704

The normal trade credit terms granted to the Group and the Company ranges from 45 to 60 days (31.12.2011 and 1.1.2011: 45 to 60 days).

The foreign currency exposure profile of trade payables for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Total RM
Functional currency of Group of companies			
31.12.2012			
Chinese Renminbi	1,805,303	14,167	1,819,471
31.12.2011			
Chinese Renminbi	654,651	-	654,651
1.1.2011			
Chinese Renminbi	687,534	-	687,534

22. AMOUNT OWING TO AN ASSOCIATE

On 1.1.2011, the amount owing to an associate, KP Integrated Sdn. Bhd., was non-trade in nature, unsecured, interest free and was repayable on demand by cash. In the previous financial year, this amount had been waived upon completion of the disposal of the associate to a third party.

23. LOANS AND BORROWINGS

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Current:						
Hire purchase payables (Note 30)	-	-	159,371	-	-	159,371
Term loans (Note 31)	22,026,111	37,828,766	32,368,061	-	-	-
Revolving credit (Note 32)	-	-	20,000,000	-	-	20,000,000
	22,026,111	37,828,766	52,527,432	-	-	20,159,371
Non-current:						
Hire purchase payables (Note 30)	-	-	242,066	-	-	242,066
Term loans (Note 31)	34,381,344	58,033,117	64,685,459	-	-	-
	34,381,344	58,033,117	64,927,525	-	-	242,066
Total loans and borrowings	56,407,455	95,861,883	117,454,957	-	-	20,401,437

24. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	31.12.2012 RM	31.12.2011 RM	31.12.2012 RM	31.12.2011 RM
At 1 January	(14,004,942)	(13,523,103)	(23,100)	(76,900)
Translation differences	496,217	(432,945)	-	-
Recognised in profit or loss (Note 7)	(406,761)	(517,172)	16,700	53,800
Withholding tax on payment of dividends	210,067	468,278	-	-
Provision on revaluation surplus	(10,642,200)	-	-	-
At 31 December	(24,347,619)	(14,004,942)	(6,400)	(23,100)

Presented after appropriate offsetting as follows:-

	Group		Company	
	31.12.2012 RM	31.12.2011 RM	31.12.2012 RM	31.12.2011 RM
Deferred tax assets	3,300	3,300	3,300	3,300
Deferred tax liabilities	(24,350,919)	(14,008,242)	(9,700)	(26,400)
	(24,347,619)	(14,004,942)	(6,400)	(23,100)

24. DEFERRED TAX ASSETS/(LIABILITIES)(cont'd)

This is in respect of estimated deferred tax assets/liabilities arising from temporary differences as follows:-

	Group		Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM	RM	RM	RM
Deferred tax assets				
Deductible temporary differences in respect of expenses	3,300	3,300	3,300	3,300
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax base	(9,700)	(26,400)	3,100	(9,700)
PRC distributable profits	(808,639)	(620,937)	(493,740)	-
Surplus arising from revaluation of warehouse and office buildings	(23,532,580)	(13,360,905)	(13,032,463)	-
	(24,350,919)	(14,008,242)	(13,523,103)	(9,700)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group	
	31.12.2012	31.12.2011
	RM	RM
Unutilised tax losses	1,823,900	1,835,900
Deductible temporary differences in respect of expenses	-	-
	1,823,900	1,835,900

Pursuant to The People's Republic of China ("PRC") Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors (5% for Hong Kong incorporated investment holding companies) from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is liable for withholding taxes at 5% on dividends from subsidiaries established in Mainland China in respect of earnings generated since 1 January 2008.

25. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary share of RM1 each		<------------Amount------------>	
	(Issued and fully paid)	Treasury Shares	(Issued and fully paid) RM	Treasury Shares RM
At 1 January 2011	197,025,503	(9,731,400)	197,025,503	(8,485,620)
Repurchase of shares	-	(9,052,300)	-	(7,839,406)
At 31 December 2011 / 1 January 2012	197,025,503	(18,783,700)	197,025,503	(16,325,026)
Repurchase of shares	-	(11,898,900)	-	(11,565,184)
Cancellation of treasury shares	(19,000,000)	19,000,000	(19,000,000)	16,476,733
At 31 December 2012	178,025,503	(11,682,600)	178,025,503	(11,413,477)

Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Treasury shares

The shareholders of the Company, by special resolution passed in a general meeting held on 30 March 2012 approved the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 11,898,900 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.972 per share. The total consideration paid for the share buy-back was RM11,565,184. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

On 3 February 2012, the Company had cancelled a total of 19,000,000 ordinary shares of RM1 each held as treasury shares and thus the issued share capital of the Company was adjusted accordingly to RM178,025,503 comprising 178,025,503 ordinary shares of RM1 each.

At 31 December 2012, the Group and the Company held 11,682,600 shares (31.12.2011: 18,783,700 and 1.1.2011: 9,731,400) of the Company's shares as treasury shares.

26. RESERVES

a) Asset revaluation reserve

The asset revaluation reserve represents increase in the fair value of warehouse and office buildings, net of tax, and decrease to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

b) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiary in The People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

c) Foreign exchange translation reserve

The foreign exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

d) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed off or impaired.

e) Capital reserve

Capital reserve for the financial years ended 31 December 2011 and 1 January 2011 comprised of share of an associate's capital reserve whereas the capital reserve for the current financial year comprises mainly reserve arising from the cancellation of treasury shares.

f) Share premium

This reserve comprises the premium paid on subscription of shares in the Company over and above the par values of the shares.

g) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

26. RESERVES (cont'd)

g) Retained earnings (cont'd)

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2012, 31 December 2011 and 31 December 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007. As at 31 December 2012, 31 December 2011 and 31 December 2010, the Company has sufficient credit in the Section 108 balance to pay franked dividends out of its entire retained earnings.

27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM	RM
Receivables from:-						
- external parties	2,076,298	6,207,950	4,852,970	634,173	230,541	5,848,715
- subsidiaries	-	-	-	606,198	620,404	44,430
	2,076,298	6,207,950	4,852,970	1,240,371	850,945	5,893,145
Less: Allowance for impairment						
At 1 January	-	25,700	25,700	-	-	-
Written off	-	(12,850)	-	-	-	-
Reversal of impairment losses	-	(12,850)	-	-	-	-
At 31 December	-	-	25,700	-	-	-
	2,076,298	6,207,950	4,827,270	1,240,371	850,945	5,893,145
Deposits	12,357,914	13,086,750	17,907,967	12,820	12,820	12,820
Prepayments	2,907,764	468,883	909,440	-	-	-
	17,341,976	19,763,583	23,644,677	1,253,191	863,765	5,905,965

Receivables from subsidiaries are non-trade in nature, unsecured, interest free and are repayable on demand by cash.

Included in the deposits of the Group was a deposit of approximately RM2,821,914 (31.12.2011: RM5,800,349 and 1.1.2011: RM5,623,033) paid by a subsidiary for the acquisition of a piece of land in China in 2009. The acquisition was subsequently aborted. The balance outstanding was fully refunded subsequent to the financial year ended 31 December 2012.

27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

The foreign currency exposure profile for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Arab Emirates Dirham RM	Total RM
Functional currency of Group of companies				
31.12.2012				
Ringgit Malaysia	580,749	-	269,071	849,820
Chinese Renminbi	110,373	-	-	110,373
	691,122	-	269,071	960,193
31.12.2011				
Ringgit Malaysia	596,931	-	123,977	720,908
Chinese Renminbi	161,616	22,955	-	184,571
	758,547	22,955	123,977	905,479
1.1.2011				
Ringgit Malaysia	60,430	9,981		70,411
Chinese Renminbi	116,054	20,710	-	136,764
	176,484	30,691	-	207,175

28. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Other payables	11,479,493	6,593,752	4,694,612	282,427	1,198	27,704
Rental and utilities deposits	1,661,078	1,638,184	1,240,207	-	-	-
Accruals	12,414,860	14,468,035	10,667,637	1,527,392	1,334,811	2,289,908
	25,555,431	22,699,971	16,602,456	1,809,819	1,336,009	2,317,612

The foreign currency exposure profile for the Group arising from subsidiaries with Chinese Renminbi as functional currency is as follows:-

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Hong Kong Dollar	1,048,526	550,966	1,184,285
United States Dollar	253,656	188,856	71,547
	1,302,182	739,822	1,255,832

29. PROVISIONS

	Group		Company	
	31.12.2012 RM	31.12.2011 RM	31.12.2012 RM	31.12.2011 RM
Employee benefits				
At 1 January	12,972	49,092	12,972	49,092
Arosed/(Reversed) during the financial year	404	(36,120)	404	(36,120)
At 31 December	13,376	12,972	13,376	12,972
Land penalty				
At 1 January	3,490,976	-	-	-
Translation differences	(7,804)	-	-	-
Arosed during the financial year	-	3,490,976	-	-
Reversed during the financial year	(3,483,172)	-	-	-
At 31 December	-	3,490,976	-	-
Total	13,376	3,503,948	13,376	12,972

Employee benefits are in respect of short term accumulating compensated absences.

In the previous financial year, land penalty was in respect of the estimated penalty payable to the Government Land Office in China for the delay in developing the land use rights as disclosed in Note 10. During the financial year, the provision was reversed prior to the disposal of the subsidiary that owned the land pursuant to the Share Transfer Agreement entered into by both parties.

30. HIRE PURCHASE PAYABLES

	Group/ Company 1.1.2011 RM
Total instalment payable	430,241
Less: Future finance charges	(28,804)
Present value of hire purchase payables	401,437
Total instalment payable within 1 year	178,044
Less: Future finance charges	(18,673)
Current liabilities (Note 23)	159,371
Total instalment payable after	
1 year but not later than 2 years	178,044
2 year but not later than 3 years	74,153
Less: Future finance charges	(10,131)
Non-current liabilities (Note 23)	242,066
Present value of hire purchase payables	401,437

30. HIRE PURCHASE PAYABLES (cont'd)

The hire purchase bore an effective interest at a rate of 3.00% per annum. The hire purchase has been fully paid during the financial year ended 31 December 2011.

31. TERM LOANS

Group	Denominated In Chinese Renminbi RM	Denominated In United States Dollar RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Current liabilities (Note 23)					
Secured short-term loans	9,030,104	12,996,007	22,026,111	37,828,766	32,368,061
Non-current liabilities (Note 23)					
Secured term loans					
More than 1 year but less than 2 years	-	12,002,195	12,002,195	22,300,273	26,580,771
More than 2 years but less than 3 years	-	7,644,710	7,644,710	12,473,990	21,318,153
More than 3 years but less than 4 years	-	7,644,710	7,644,710	7,945,217	12,115,459
More than 4 years but less than 5 years	-	7,089,729	7,089,729	7,945,217	4,671,076
More than 5 years	-	-	-	7,368,420	-
	-	34,381,344	34,381,344	58,033,117	64,685,459
Total term loans	9,030,104	47,377,351	56,407,455	95,861,883	97,053,520

The secured term loans amounted to RM47,377,351 (31.12.2011: RM71,500,419 and 1.1.2011:RM63,206,450) bear effective interest at rates ranging from 2.15% to 3.05% (31.12.2011: 2.13% to 2.85% and 1.1.2011: 2.03% to 2.66%) per annum and are secured and supported as follows:-

(a) legal charges over the respective subsidiaries' land use rights and warehouse and office buildings; and
(b) corporate guarantees by the Company.

The secured term loans amounted to RM9,030,104 (31.12.2011: RM24,361,464 and 1.1.2011:RM33,847,070) bear effective interest at rates ranging from 5.94% to 6.12% (31.12.2011: 5.58% to 6.10% and 1.1.2011: 5.13% to 5.85%) per annum and are secured and supported as follows:-

(a) legal charges over the respective subsidiaries' land use rights and warehouse and office buildings; and
(b) all share interests of a foreign subsidiary.

32. REVOLVING CREDIT

As at 1.1.2011, the unsecured revolving credit of the Group and of the Company bore effective interest at rates ranging from 3.02% to 4.20% per annum and supported by a corporate guarantee of a subsidiary. There was no outstanding balance at the current reporting date.

33. UNSECURED LOAN FROM A CORPORATE SHAREHOLDER

The unsecured loan from Shun Hing China Investments Limited, a corporate shareholder of a subsidiary, is non-trade in nature, bears interest at a rate of 2.41% (31.12.2011: 2.30% and 1.1.2011: 2.33%) per annum.

34. GOVERNMENT GRANT RECEIVED IN ADVANCE

The government grant was received from Henan Xinxan Hi-tech Development Administration Committee in China for capital expenditures incurred on land use rights and warehouse buildings in Henan. Movements in government grant received in advance during the year are as follows:-

Group	31.12.2012 RM	31.12.2011 RM
At 1 January	1,772,291	1,753,598
Grant received	4,492,573	-
Translation differences	(141,296)	54,734
Less : Income recognised	(91,576)	(36,041)
At 31 December	6,031,992	1,772,291

35. DIVIDENDS

	Group and Company	
	2012 RM	2011 RM
Recognised during the financial year:		
Dividends on ordinary shares		
- First and final dividend for 2011: 5.0 sen (2010: 3.5 sen) less 25% tax per share	6,660,510	4,876,158
- Interim dividend for 2012: 5.0 sen (2011: Nil) less 25% tax per share	6,487,849	-
- Special dividend for 2011 : Nil (2010: 5.0 sen) less 25% tax per share	-	6,965,936
	13,148,359	11,842,094
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders approval at the AGM		
- First and final dividend for 2012: Nil (2011: 5.0 sen) less 25% tax per share	-	6,660,510

36. SEGMENT ANALYSIS

For management purposes, the Group is organised into business segments based on their services and has three reportable operating segments as follows:-

(i) Warehousing and related value added services	-	rental of warehouses, handling and providing logistics solution services
(ii) Freight forwarding	-	business of sea and air freight forwarding and shipping agent
(iii) Transportation and distribution	-	trucking and container haulage

Other non-reportable segments comprise of investment holding, management services and lease and hire purchase.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

Transfer prices between operating segments are carried out on negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT ANALYSIS (cont'd)

(a) Operating Segments

	Warehousing and Related Value Added Services		Freight Forwarding		Transportation and Distribution		Others		Adjustments and Eliminations		Notes	As per consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		2012	2011
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM
Revenue													
External revenue	117,945,983	110,077,888	788,793	1,366,917	19,188,544	22,329,283	-	-	-	-	A	137,923,320	133,774,088
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	B	-	-
Total revenue	117,945,983	110,077,888	788,793	1,366,917	19,188,544	22,329,283	-	-	-	-		137,923,320	133,774,088
Results													
Interest revenue	227,793	208,197	-	-	-	-	4,004,928	1,301,619	(2,345,091)	-		1,887,630	1,509,816
Interest expense	(5,370,289)	(3,107,166)	-	-	(1,342,572)	(776,791)	-	(111,116)	2,359,876	-		(4,352,985)	(3,995,073)
Depreciation of property, plant and equipment	8,437,948	6,931,384	-	-	461,912	406,631	345,708	312,750	-	-		9,245,568	7,650,765
Amortisation of land use rights	1,772,454	2,306,541	-	-	-	-	-	-	-	-		1,772,454	2,306,541
Non-cash expenses (other than depreciation and amortisation	228,750	(18,780)	-	-	-	28,182	6,158,111	23,896,901	(5,990,279)	(18,666,730)		396,582	5,239,573
Segment profit/(loss)	7,289,825	9,646,028	109,062	218,836	937,843	878,242	2,852,475	6,622,685	(4,181,184)	1,176,377	C	7,008,021	18,542,168

36. SEGMENT ANALYSIS (cont'd)

(a) Operating Segments (cont'd)

A The revenue relating to disposal of subsidiaries have been excluded to arrive at amounts shown in the consolidated statements of comprehensive income as they are presented separately in the statements of comprehensive income within one line item, "profit from discontinued operations, net of tax".

B Inter-segment revenues are eliminated on consolidation.

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

	Group	
	2012	2011
	RM	RM
Share of results of associates	603,319	2,118,001
Share of results of jointly controlled entities	(4,784,503)	(941,624)
	(4,181,184)	1,176,377

(b) Geographical Segments

The Group operates in three principal geographical areas of the world:-

(i) Malaysia
(ii) The People's Republic of China (including Hong Kong)
(iii) United Arab Emirates

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including interest in associates and jointly controlled entities) and deferred tax assets.

	Revenue	
	2012	2011
	RM	RM
The People's Republic of China (including Hong Kong)	137,923,320	133,774,088

36. SEGMENT ANALYSIS (cont'd)

(b) Geographical Segments (cont'd)

	Non-current assets	
	31.12.2012	31.12.2011
	RM	RM
Malaysia	823,590	1,145,549
The People's Republic of China (including Hong Kong)	355,431,554	358,866,460
	356,255,144	360,012,009

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	31.12.2012	31.12.2011
	RM	RM
Property, plant and equipment	267,778,343	249,911,078
Land use rights	70,308,537	109,193,159
Capital work-in-progress	18,168,264	907,772
	356,255,144	360,012,009

(c) Major Customers

Revenues from two single customers of the Group's warehousing and related value added services segment represent approximately RM34 million and RM30 million respectively of the Group's total revenues in The People's Republic of China (31.12.2011: RM33 million and RM22 million respectively).

37. CAPITAL AND OTHER COMMITMENTS

	Group	
	31.12.2012	31.12.2011
	RM	RM
Approved and contracted for:		
- construction of warehouse buildings	4,072,029	21,234,320
- undertaking rights issue of an associate	-	11,472,712
Share of jointly controlled entity's capital commitments in relation to construction of logistics warehouse facility	-	4,610,921
	4,072,029	37,317,953

38. CONTINGENT LIABILITY

The Company is contingently liable for corporate guarantee of RM47,377,351 (31.12.2011: RM71,500,419; 1.1.2011: RM63,206,450) granted to financial institutions to secure credit facilities granted to two subsidiaries.

39. OPERATING LEASE ARRANGEMENTS

The Group had contracted with lessees under non-cancellable operating leases in respect of land and building in Shanghai and Shenzhen, China owned by the Group. At 31 December 2012, the future minimum lease payments receivable by the Group as part of warehouse handling revenue are as follows:-

	Group	
	31.12.2012 RM	31.12.2011 RM
Within one year	20,632,350	13,751,608
In the second to fifth years inclusive	16,074,297	11,935,882
	36,706,647	25,687,490

At 31 December 2012, the Group had future minimum lease payments payable under non-cancellable operating leases in respect of land and buildings, which fall due as follows:-

	Group	
	31.12.2012 RM	31.12.2011 RM
Within one year	23,485,374	20,003,181
In the second to fifth years inclusive	11,268,104	23,826,673
	34,753,478	43,829,854

40. SIGNIFICANT INTER-COMPANY AND RELATED PARTY TRANSACTIONS

(a) For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The Company has a related party relationship with its subsidiaries, associate, key management personnel, director related companies and companies in which key management personnel have substantial financial interests. Director related companies refer to companies in which directors of the Company have substantial financial interests.

40. SIGNIFICANT INTER-COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

(b) Significant inter-company transactions with subsidiaries are as follows:-

	Company	
	2012	2011
	RM	RM
(Received or receivable from)/Paid or payable to subsidiaries		
Non-trade		
- Interest	(2,345,091)	(2,232,332)
- Rental of premises	339,309	-
- Gross dividends	(7,043,400)	(12,600,000)
- Waiver of debts by subsidiaries	-	(9,949,517)
- Waiver of debts by an associate	-	(211,501)
- Secretary fee	-	(2,400)
Received or receivable from a jointly controlled entity		
Non-trade		
- Interest	(773,105)	(203,226)

(c) Compensation of the key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company.

The remuneration of the key management personnel other than disclosed in Note 6 is as follow:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other key management personnel:				
Short-term employee benefits	795,445	727,946	355,000	133,750
Post-employment benefits	39,904	6,528	39,904	6,528
	835,349	734,474	394,904	140,278

41. FINANCIAL INSTRUMENTS

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks, include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are exercised by the Executive Directors and the Financial Controller, the audit committee provides independent oversight to the effectiveness of the risk management process.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:-

i. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from loans and borrowings that are denominated in a currency other than the functional currencies of the Group entities, primarily RM, Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD"). The foreign currencies in which these transactions is denominated in United States Dollar ("USD") and United Arab Emirates ("UAE").

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

As at the end of the financial year, if Ringgit Malaysia had weakened or strengthened 100 basis points against Hong Kong Dollar, Chinese Renminbi and United Arab Emirates with all other variables held constant, the Group's profit after tax for the year would have been approximately RM369,703 lower or higher respectively.

		Group	
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
RMB/HKD	89,816	182,298	257,567
RMB/USD	53,067	32,867	61,974
RM/UAE	226,820	98,231	-
	369,703	313,396	319,541

The net unhedged financial assets and financial liabilities of the Group and of the Company that are not denominated in their functional currencies are disclosed in Notes 16, 20, 21, 27, 28 and 31.

41. FINANCIAL INSTRUMENTS (cont'd)

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates to interest bearing financial assets and liabilities.

Interest bearing financial assets includes fixed deposits with licensed banks which are placed for better yield returns than cash at banks and advances to a jointly controlled entity at fixed rate which expose the Group to fair value risk.

The Group's interest bearing financial liabilities comprise bank borrowings and loan from a corporate shareholder at floating rate which expose the Company to cash flows risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the end of the financial year would not affect profit or loss.

As at the end of the financial year, a change of 100 basis points in interest rates, with all other variables held constant, would decrease or increase the equity and profit after tax by approximately RM197,636 (31.12.2011: RM96,000) arising mainly as a result of lower/higher interest income on floating deposits rate and lower/higher interest expense on floating rate loans and borrowings.

iii. Credit Risk

Credit risk is the risk of a financial loss to the Group that may arise if a customer or counterparty to a financial instrument default on its contractual obligations. The Group's exposure to credit risk arises principally from its receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and the financial guarantees given.

Receivables

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group's maximum exposure to credit risk arising from the receivables is represented by the carrying amounts in the statements of financial position.

41. FINANCIAL INSTRUMENTS (cont'd)

iii. Credit Risk (cont'd)

Receivables (cont'd)

The exposure of credit risk for receivables as at the end of the financial year by geographic region is as follows:-

	Group					
	31.12.2012		31.12.2011		1.1.2011	
	RM	% of total	RM	% of total	RM	% of total
The People's Republic of China	35,658,861	100%	33,909,645	100%	22,329,182	100%

The Group does not have any significant exposure to any individual customer. A significant portion of its trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 16.

Financial Guarantees

The Company provides unsecured corporate guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM47,377,351 (31.12.2011: RM71,500,419 and 1.1.2011: RM63,206,450) representing the outstanding banking facilities of the subsidiaries as at the end of the financial year.

As at the end of the financial year, there was no indication that any of these subsidiaries would default on repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee period.

Inter-Company/Related Party Balances

The Company provides unsecured loans and advances to subsidiaries and a jointly controlled entity. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the loans and advances to the subsidiaries and a jointly controlled entity are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries and jointly controlled entity.

41. FINANCIAL INSTRUMENTS (cont'd)

iv. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from loans and borrowings.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. The Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and by monitoring the working capital of the Group to ensure that all liabilities due and known funding requirements could be met.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 5 years RM	Total RM
31.12.2012					
Group					
Financial liabilities:					
Trade and other payables	31,293,347	31,293,347	31,293,347	-	31,293,347
Loans and borrowings	56,407,455	59,623,313	23,459,186	36,164,127	59,623,313
	87,700,802	90,916,660	54,752,533	36,164,127	90,916,660
Company					
Financial liabilities:					
Other payables	1,809,819	1,809,819	1,809,819	-	1,809,819

41. FINANCIAL INSTRUMENTS (cont'd)

iv. Liquidity Risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations: (cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 5 years RM	Total RM
31.12.2011					
Group					
Financial liabilities:					
Trade and other payables	26,960,017	26,960,017	26,960,017	-	26,960,017
Loans and borrowings	95,861,883	97,912,306	39,035,783	58,876,523	97,912,306
	122,821,900	124,872,323	65,995,800	58,876,523	124,872,323
Company					
Financial liabilities:					
Other payables	1,336,009	1,336,009	1,336,009	-	1,336,009
1.1.2011					
Group					
Financial liabilities:					
Trade and other payables	21,052,032	21,052,032	21,052,032	-	21,052,032
Loans and borrowings	117,454,957	121,049,414	54,076,902	66,972,512	121,049,414
	138,506,989	142,101,446	75,128,934	66,972,512	142,101,446
Company					
Financial liabilities:					
Other payables	2,317,612	2,317,612	2,317,612	-	2,317,612
Loans and borrowings	20,401,437	21,152,241	20,910,175	242,066	21,152,241
	22,719,049	23,469,853	23,227,787	242,066	23,469,853

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(b) Other investments

The fair value of shares quoted in an active market is determined by reference to the quoted closing bid price at the reporting date.

(c) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of hire purchase payables and fixed rate loan is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

The carrying amounts of financial assets and liabilities recognised in the statements of financial position approximate their fair values except for the following:

	Group	
	Carrying amount RM	Fair value RM
1.1.2011		
Financial liabilities		
Hire purchase payables	401,437	402,059

43. FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2012, 31 December 2011 and 1 January 2011, the Group held the following financial instruments carried at fair values on the statement of financial position:

Assets measured at fair value

31.12.2012	**31.12.2012 RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**
Available-for-sale financial assets				
- golf club memberships	1,485,464	-	1,485,464	-

31.12.2011	**31.12.2011 RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**
Available-for-sale financial assets				
- golf club memberships	1,325,269	-	1,325,269	-

1.1.2011	**1.1.2011 RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**
Available-for-sale financial assets				
- golf club memberships	1,124,151	-	1,124,151	-

During the financial years ended 31 December 2012, 31 December 2011 and as at 1 January 2011, there was no transfer between fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities in the Group will be able to continue as a going concern, maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

Deposits are made at varying periods depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates.

The Group reviews the capital structure on an annual basis. As a part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2012, 31 December 2011 and as at 1 January 2011.

	Group			Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM	RM	RM	RM
Loans and borrowings	56,407,455	95,861,883	117,454,957	-	-	20,401,437
Less: Cash and cash equivalents	(47,211,159)	(105,906,525)	(128,813,050)	(10,155,232)	(44,220,703)	(71,068,590)
Net debt	9,196,296	(10,044,642)	(11,358,093)	(10,155,232)	(44,220,703)	(50,667,153)
Total equity	431,623,144	448,513,891	422,924,125	243,540,982	267,720,535	271,852,834
Debt-to-equity ratio	0.02	N/A	N/A	N/A	N/A	N/A

N/A – Not applicable

As disclosed in Note 26(b), certain subsidiaries of the Group is required by the Foreign Enterprise Law of the PRC to contribute and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied by the respective PRC's subsidiaries for the financial years ended 31 December 2012, 31 December 2011 and as at 1 January 2011.

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 3 February 2012, the Company had cancelled a total of 19,000,000 ordinary shares of RM1 each held as treasury shares and thus the issued share capital of the Company was adjusted accordingly to RM178,025,503 comprising 178,025,503 ordinary shares of RM1 each.

On 8 February 2012, Integrated Logistics (H.K.) Limited ("ILHK"), an indirect subsidiary in which ILB has 70% effective equity interest, had subscribed to the allotted 15,000,000 rights issue shares of Hengyang Petrochemical Logistics Limited ("Hengyang") pursuant to the Hengyang Rights Issue Exercise for a total consideration of S$4.5million. The equity interest in Hengyang held by ILHK had changed from 25.4%. to 25.8%.

46. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the current year presentation:-

	As Reclassified		As Previously Classified	
	31.12.2011	1.1.2011	31.12.2011	1.1.2011
	RM	RM	RM	RM
Company				
Subsidiaries	41,678,067	65,290,645	123,708,419	137,033,202
Amount owing by subsidiaries	101,780,222	96,438,277	19,749,870	24,695,720

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2012 and 31 December 2011 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at 31 December 2012 and 31 December 2011 are analysed as follow:-

	Group		Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiaries				
- Realised	50,541,684	59,863,204	36,066,476	38,024,850
- Unrealised	(20,078)	9,065	(5,965,358)	4,831,940
	50,021,606	59,872,269	30,101,118	42,856,790
Total share of retained earnings from associates				
- Realised	18,466,012	16,272,152	-	-
- Unrealised	(8,456,378)	(6,865,837)	-	-
	10,009,634	9,406,315	-	-
Total share of accumulated losses from jointly controlled entities				
- Realised	(7,410,284)	(2,625,781)	-	-
- Unrealised	-	-	-	-
	(7,410,284)	(2,625,781)	-	-
Less : Consolidation adjustments	20,932,508	19,088,391	-	-
Total retained earnings	73,553,464	85,741,194	30,101,118	42,856,790

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

PROPERTIES OF ILB GROUP

AS AT 31 DECEMBER 2012

Location	Description	Age of Building (Years)	Area (sq. ft.)		Tenure	NBV @ 31-12-2012 (RM)	Year of Acquisition Or Revaluation*
No. 3, Guang Lan Road Futian Free Trade Zone Shenzhen The People's Republic of China	Land with Warehouse and Office building	9	Land - Built-up -	177,523 437,283	Land Use Rights expiring in 2052	11,458,116 61,897,218	2012*
No. 30, Tao Hua Road Futian Free Trade Zone Shenzhen The People's Republic of China	Land with Warehouse and Office building	7.5	Land - Built-up -	266,570 668,294	Land Use Rights expiring in 2054	17,418,323 102,654,410	2012*
Wu Guo Yong (2007) No. 07049293 Fenhu Economic Centre, East Fenhu Road, Fenhu, Wujiang, Jiangsu The People's Republic of China	Land with Warehouse building	3.5	Land - Built-up -	718,501 286,829	Land Use Rights expiring in 2056	6,407,955 28,136,426	2012*
Wu Guo Yong (2010) No. 07049217 Fenhu Economic Centre, East Fenhu Road, Fenhu, Wujiang, Jiangsu The People's Republic of China	Land	-	Land -	694,023	Land Use Rights expiring in 2060	7,639,732	2010
The South of Xinyuan Road The West of Planned Longitude Road No. 10 Henan, The People's Republic of China	Land with Warehouse and Office building	1.2	Land - Built-up -	1,548,505 884,491	Land Use Rights expiring in 2060	14,082,616 68,628,561	2012*

ANALYSIS OF SHAREHOLDINGS

AS AT 31 DECEMBER 2012

SHARE CAPITAL

Authorised Share Capital :	RM 250,000,000
Issued and Fully Paid-up Share Capital:	RM 178,025,503
Class of Shares:	Ordinary Shares of RM 1.00 each
Voting Rights:	One (1) vote per ordinary share

Category	No. of Holders		No. of Shares *		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	561	54	14,897	786	0.01	0.00
100 – 1,000	295	6	136,201	2,813	0.08	0.00
1,001 – 10,000	3,136	59	9,666,212	226,340	5.82	0.14
10,001 – 100,000	713	46	19,106,336	1,478,989	11.51	0.89
100,001 to less than 5% of issued shares	107	27	43,428,681	44,273,693	26.17	26.67
5% and above of issued shares	2	1	32,655,055	15,000,000	19.67	9.04
Total	4,814	193	105,007,382	60,982,621	63.26	36.74
Grand Total	5,007		165,990,003		100.00	

* Excluding a total of 12,035,500 ordinary shares of RM1-00 each bought back by the Company and retained as treasury shares.

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name of shareholder	No. of shares held	% of issued capital
1.	Lembaga Tabung Haji	19,059,985	11.48
2.	Hassan Mohammad Kazem Ahmadi	15,000,000	9.04
3.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad for Tee Tuan Sem	13,595,070	8.19
4.	Yasuo Takahashi	7,614,833	4.59
5.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	7,463,700	4.50
6.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Shun Hing Electronic Trading Company Limited (Gainwell Securities Co. Ltd.)	6,150,000	3.71
7.	Beh Eng Par	5,607,670	3.38
8.	Yasuo Takahashi	4,943,400	2.98
9.	United Asia Success Limited	4,068,100	2.45
10.	Makoto Takahashi	4,031,943	2.43
11.	Koh Bee Yong	2,410,390	1.45
12.	Citigroup Nominees (Asing) Sdn Bhd CBHK PBGSG for Gan Boon Hwee	1,885,580	1.14
13.	Wong Fok Sew	1,633,895	0.98
14.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Chee Eng	1,500,000	0.90

ANALYSIS OF SHAREHOLDINGS

AS AT 22 DECEMBER 2012

15. HSBC Nominees (Asing) Sdn Bhd	1,386,200	0.84
Exempt AN For The Bank of New York Mellon SA/NV (Amex-Foreign)		
16 Mercsec Nominees (Tempatan) Sdn Bhd	1,100,000	0.66
Pledged Securities Account for Lai Wei Chai		
17. Mercsec Nominees (Tempatan) Sdn Bhd	1,100,000	0.66
Pledged Securities Account for Ng Aik Wei		
18. TMF Trustees Malaysia Berhad	1,100,000	0.66
RZZ Trust		
19 Ong Geok Hwa	1,070,000	0.64
20. Hong Leong Assurance Berhad	1,067,535	0.64
As Beneficial Owner (Life Par)		
21. Chng Kok Leong	1,000,000	0.60
22. Lim Ong Kim	908,670	0.55
23. Tan Bee Kong	901,100	0.54
24. Syntanium Solutions Sdn Bhd	890,000	0.54
25. Motohiko Tachibana	871,800	0.53
26. Goh Theow Hiang	868,348	0.52
27. Citicorp Nominees (Tempatan) Sdn Bhd	855,000	0.52
Exempt AN for OCBC Securities Private Limited (Client A/C-Res)		
28. Wang Jim	735,000	0.44
29. Chin Then Yoon	675,200	0.41
30. Lee Chin Chai	660,450	0.40

* Excluding a total of 12,035,500 ordinary shares of RM1-00 each bought back by the Company and retained as treasury shares

ANALYSIS OF SHAREHOLDINGS

AT AT 22 FEBRUARY 2013

The Directors shareholdings in the Company as at 22nd February 2013 are as follows :-

Name of Directors	Direct No. of Shares	Note	% of issued Capital*	Indirect No. of Shares	Note	% of issued Capital *
Datuk R. Karunakaran	-	-	-	-	-	-
Tee Tuan Sem	13,595,070	1	8.19	353,640	2	0.21
Makoto Takahashi	4,031,943	3	2.43	-	-	-
Tai Me Teck	896,200	3	0.54	-	-	-
Wan Azfar bin Dato' Wan Annuar	-	-	-	1,100,000	4	0.66
Dato' Haji Wazir bin Haji Muaz	-	-	-	-	-	-
Lee Kay Loon	-	-	-	-	-	-

1. Held through Amsec Nominees (Tempatan) Sdn Bhd.
2. Deemed interest by virtue of the shareholdings of his wife, Yang Chiew Bi, which are held directly.
3. Held directly.
4. Deemed interest by virtue of beneficiary under Discretionary Trust (TMF Trustee Malaysia Berhad)

Substantial Shareholders

The substantial shareholders of the Company as at 22nd February 2013 are as follows :-

Name of Directors	Direct No. of Shares	Note	% of issued Capital*	Indirect No. of Shares	Note	% of issued Capital *
Lembaga Tabung Haji	19,059,985	1	11.48	-	-	-
Dato' Yasuo Takahashi	12,558,233	1	7.57	4,031,943	2	2.43
Hassan Mohammad Kazem Ahmadi	15,000,000	1	9.04	-	-	-
Tee Tuan Sem	13,595,070	3	8.19	353,640	4	0.21

Notes

1. Held directly.
2. Deemed interest by virtue of the shareholdings of his son, which are held directly in his own name.
3. Held through Amsec Nominees (Tempatan) Sdn Bhd.
4. Deemed interest by virtue of the shareholdings of his wife, Yang Chiew Bi, which are held directly.

** Excluding a total of 12,035,500 ordinary shares of RM1-00 each bought back by the Company and retained as treasury shares*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting ("AGM") of Integrated Logistics Berhad ("ILB" or "Company'') will be held at Melati 1, 2 & 3, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 2nd April 2013 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 31st December, 2012 and Auditors Report thereon.	(Resolution 1)
2. To approve the payment of Directors' Fees of RM216,000 for the year ended 31st December 2012.	(Resolution 2)
3. To re-elect the following Directors retiring by rotation in accordance with Article 80 of the Company's Articles of Association :-	
- Dato' Haji Wazir Bin Haji Muaz	(Resolution 3)
- Lee Kay Loon	(Resolution 4)
4. To re-appoint Messrs Baker Tilly AC (formerly known as Messrs Moore Stephens AC) as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	(Resolution 5)
5. To transact any other ordinary business of the Company for which due notice has been received.	

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following as Ordinary Resolution :-

ORDINARY RESOLUTIONS

6. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **THAT,** subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (the Proposed Share Buy-Back") provided that :-	(Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING

i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten (10) per cent of the total issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 30th March 2012, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities.

ii) The maximum amount of funds to be allocated for the purchase of the shares pursuant to the Proposed Share Buy-Back shall not exceed the aggregate of retained profits and/or share premium account of the Company based on its latest audited accounts available up to the date of a transaction pursuant to the Proposed Share-Buy Back. As at 31st December 2012, the audited Retained Profits and Share Premium Account of the Company were RM30,101,119 and RM 27,609,598 respectively.

iii) The Proposed Share Buy-Back to be undertaken will be in compliance with Section 67A of the Companies Act, 1965. The Directors will deal with the shares purchased in the following manner:-

(a) to cancel the Shares so purchased; or

(b) to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or re-sell on Bursa Securities in accordance with the Main Market Listing Requirements of Bursa Securities and/or cancellation subsequently; or

(c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

AND THAT such authority to purchase the Company's own shares will be effective immediately from the passing of this resolution until the conclusion of the next Annual General Meeting ("AGM") at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally or the passing of the date on which the next AGM is required by law to be held or the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of association and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities.

NOTICE OF ANNUAL GENERAL MEETING

7. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 THAT subject to Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed ten per cent (10%) of the issued and paid-up share capital of the Company for the time being. AND THAT such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.	(Resolution 7)

To consider and if thought fit, pass the following Special Resolution :-

Special Resolution

8. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY THAT the amendments to the Articles of Association of the Company as contained in the Appendix I attached to the Annual Report 2012 be and are hereby approved. AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the amendments to the Articles of Association of the Company with full powers to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities	Special Resolution

By Order of the Board
Amarjit Singh A/L Banta Singh
Company Secretary
Selangor Darul Ehsan
Date: 11 March 2013

NOTES

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 27th March 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 21st AGM.

2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. A proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.

3. If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

NOTICE OF ANNUAL GENERAL MEETING

5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.

6. The instrument appointing a proxy must reach the Business Office of the Company at Indera Subang Condominium, Jalan USJ 6/2L, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

Explanatory note on item (6) of the Agenda

The proposed ordinary resolution, if passed, will empower the Directors of the Company to buy back and/ or hold from time to time shares of the Company not exceeding ten (10) per cent of the issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

Explanatory note on item (7) of the Agenda

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being and for such purposes as the Directors would consider to be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

This is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company on the 30th March 2012. The Company did not issue any new shares after the previous mandate was obtained at the last AGM.

The general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) working capital and/or acquisitions and would enable the Company to avoid delay and cost of convening further general meetings to approve the issue of shares for such purposes.

At this juncture, there is no decision to issue any new shares. Should there be a decision to issue new shares after the general mandate has been obtained, the Company will make an announcement in respect of the purpose and/or utilisation of proceeds arising from such issue.

Explanatory note on item (8) of the Agenda

The proposed ordinary resolution, if passed, will render the Articles of Association of the Company to be updated in accordance with the recent enhancements issued by Bursa Malaysia Securities Berhad amending certain provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **The Directors who are standing for re-election at the Annual General Meeting of the Company in accordance with Article 80 of the Company's Articles of Association are :-**

   a) Dato' Haji Wazir bin Haji Muaz

   b) Lee Kay Loon

   Details of the Directors seeking for re-election are set out in the Director's profiles' section of this annual report. Their shareholdings in the Company are set out on page 134 of this Annual Report.

2. **Details of attendance of Directors at Board Meetings**

   Five (5) Board Meetings were held during the financial year ended 31 December 2012. Details of attendance of the Directors at Board Meetings are set out on page 19 of this Annual Report.

3. **Date, Time and Place of the 21 Annual General Meeting**

Date and Time	:	2 April 2013 at 10:00 a.m.
Place	:	Melati 1, 2 & 3, Grand Dorsett Subang Hotel Jalan SS 12/1 47500 Subang Jaya Selangor Darul Ehsan

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association of the Company which are to be amended are reproduced below with the Proposed Articles after amendments.

Article No.	Existing Articles (to be deleted in its entirety)	Proposed Amended Articles
2	Words Meanings New provision	Words Meanings Exempt Authorised Nominee: "An exempt authorised nominee" means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
68	Subject to any rights or restrictions for the time being attached to any classes of shares, at meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a Member or representative or proxy of a Member who is present and entitled to vote shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share he holds.	Subject to any rights or restrictions for the time being attached to any class of shares, at meetings of Members or classes of Members, on the show of hands every Member who is present in person or by proxy(ies) or by attorney or by other duly authorised representative shall have one (1) vote. In the case of a poll, every Member holding ordinary shares who is present in person or by proxy or by attorney shall have one (1) vote for every ordinary share held by him. A proxy need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

Article No.	Existing Articles (to be deleted in its entirety)	Proposed Amended Articles
69	Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
72	A Member shall be entitled to be present and to vote on any question either personally or otherwise as a proxy or attorney at any general meeting or appoint a poll or be reckoned in the quorum in respect of any share or shares upon which all calls due to the Company have been paid.	A Member shall be entitled to be present and to vote on any question either personally or by proxy or by attorney or by other duly authorised representative, or as proxy for another Member at a meeting of the Company, or at a meeting of any class of members of the Company, or upon a poll to be reckoned in a quorum in respect of any fully-paid up shares and of any shares upon which calls due and payable to the Company shall have been paid. No Member shall be entitled so to vote or be recognised in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid.

PROXY FORM

"I/We," ____

________of ____

________________being a member/members of INTEGRATED LOGISTICS BERHAD, hereby appoint ("the Chairman of the Meeting") or ____

______________________________NRIC No. ______________________ of______________________

______________________________________ ______________________________________

______________________________________ as my/our proxy to vote for me/us on my/our behalf, at the 21st Annual General Meeting ("AGM") of the Company to be held at Melati 1, 2 & 3, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 2nd April, 2013 at 10.00 a.m. or any adjournment thereof and to vote as indicated below :-

AS ORDINARY BUSINESS

		FOR	AGAINST
RESOLUTION 1	To receive the Directors Report and Audited Financial Statements.		
RESOLUTION 2	To approve Directors' fee.		
RESOLUTION 3	To re-elect Dato' Haji Wazir Bin Haji Muaz as Director in accordance with Article 80 of the Company's Articles of Association.		
RESOLUTION 4	To re-elect Mr Lee Kay Loon as Director in accordance with Article 80 of the Company's Articles of Association.		
RESOLUTION 5	To re-appoint Messrs Baker Tilly AC (formerly known as Messrs Moore Stephens AC) as the Company's Auditors until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.		

AS SPECIAL BUSINESS
ORDINARY RESOLUTION

		FOR	AGAINST
RESOLUTION 6	Proposed Renewal of Share Buy-Back Authority.		
RESOLUTION 7	To authorize the Directors to allot and issue shares in the Company pursuant to Section 132D of the Companies Act, 1965.		

AS SPECIAL RESOUTION

		FOR	AGAINST
SPECIAL RESOLUTION	Proposed Amendments to the Articles of Association of the Company		

No. of shares held

Signature of Shareholder(s)______________________________ ______________________

Signed this ________ day of ________________, 2013

NOTE :

In respect of deposited securities, only members whose names appear in the Record of Depositors as at 27th March 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 21st AGM.
Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".
Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.
The instrument appointing a proxy must reach the Business Office of the Company at Indera Subang Condominium, Jalan USJ 6/2L, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

STAMP

The Company Secretary
Integrated Logistics Berhad
(229690-K)

Indera Subang Condominium

Jalan USJ 6/2L

47610 UEP Subang Jaya

Selangor Darul Ehsan