



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.15	31.12.14	31.12.15	31.12.14
	RM'000	RM'000	RM'000	RM'000
Revenue	7,162	11,926	31,480	42,411
Operating costs	(10,911)	(55,897)	(40,617)	(93,001)
Other income	1,286	2,408	7,931	7,525
	<hr/>	<hr/>	<hr/>	<hr/>
Loss from operations	(2,463)	(41,563)	(1,206)	(43,065)
Finance costs	(455)	(167)	(961)	(806)
Share of results of				
Associates	(185)	(970)	656	(1,254)
Jointly controlled entity	(1,538)	(2,136)	(10,934)	(8,138)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss before tax	(4,641)	(44,836)	(12,445)	(53,263)
Tax expense	(138)	(292)	(771)	(543)
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Loss for the financial period/year	<u>(4,779)</u>	<u>(45,128)</u>	<u>(13,216)</u>	<u>(53,806)</u>
Attributable to:				
Owners of the parent	(3,692)	(32,689)	(11,942)	(41,134)
Non-controlling interests	<u>(1,087)</u>	<u>(12,439)</u>	<u>(1,274)</u>	<u>(12,672)</u>
Loss for the financial period/year	<u>(4,779)</u>	<u>(45,128)</u>	<u>(13,216)</u>	<u>(53,806)</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.15	31.12.14	31.12.15	31.12.14
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period/year	(4,779)	(45,128)	(13,216)	(53,806)
Other comprehensive income, net of tax				
Foreign currency translation differences	(15,712)	19,863	49,753	18,665
Fair value adjustment of available-for-sale financial assets	(18)	(212)	(42)	(437)
Total other comprehensive income for the financial period/year, net of tax	(15,730)	19,651	49,711	18,228
Total comprehensive income for the financial period/year	<u>(20,509)</u>	<u>(25,477)</u>	<u>36,495</u>	<u>(35,578)</u>
Total comprehensive income attributable to:				
Owners of the parent	(15,050)	(16,796)	32,310	(26,119)
Non-controlling interests	(5,459)	(8,681)	4,185	(9,459)
Total comprehensive income for the financial period/year	<u>(20,509)</u>	<u>(25,477)</u>	<u>36,495</u>	<u>(35,578)</u>
Basic loss per share attributable to owners of the parent (sen)	<u>(2.1)</u>	<u>(18.5)</u>	<u>(6.8)</u>	<u>(23.3)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.15 RM'000	As at 31.12.14 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	69,130	59,876
Land use rights	17,848	15,784
Capital work-in-progress	58,605	-
Interest in associates	43,273	42,952
Interest in a jointly controlled entity	23,771	28,262
Available-for-sale financial assets	1,634	1,447
Amount owing by a jointly controlled entity	71,275	52,354
Intangible assets	2,071	-
	287,607	200,675
Current assets		
Trade receivables	7,115	9,586
Other receivables, deposits and prepayments	6,966	8,142
Amount owing by a jointly controlled entity	24,547	17,134
Tax assets	621	599
Short term fund	31,569	42,083
Cash & cash equivalents	120,781	114,282
	191,599	191,826
TOTAL ASSETS	479,206	392,501
EQUITY AND LIABILITIES		
Equity		
Share capital	178,026	178,026
Reserves	145,585	119,191
Treasury shares	(4,384)	(1,253)
Total equity attributable to owners of the parent	319,227	295,964
Non-controlling interests	55,009	50,501
Total equity	374,236	346,465
Non-current liabilities		
Long term borrowings	49,243	27,674
Deferred tax liabilities	909	498
	50,152	28,172
Current liabilities		
Trade payables	605	2,482
Other payables, deposits and accruals	19,194	14,728
Short term borrowings	34,173	151
Tax payables	846	503
	54,818	17,864
Total Liabilities	104,970	46,036
	479,206	392,501

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	31.12.15	31.12.14
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax,	(12,445)	(53,263)
Adjustments for :-		
Amortisation of land use rights	392	345
Depreciation of property, plant and equipment	1,998	1,884
Gain on disposal of property, plant and equipment	-	(69)
Gain on unrealised foreign exchange	(75)	(27)
Deposit written off	-	11
Impairment of goodwill on consolidation	42	-
Impairment loss on investment in associate	1,851	41,553
Share of results of associates	(656)	1,254
Share of results of jointly controlled entities	10,934	8,138
Provision for employee benefits	8	4
Income distribution from short term fund	(1,072)	(1,008)
Interest income	(4,861)	(3,034)
Interest expense	961	805
Operating loss before working capital changes	<u>(2,923)</u>	<u>(3,407)</u>
Receivables	3,650	(200)
Payables	<u>(6,996)</u>	<u>1,371</u>
Cash used in operations	<u>(6,269)</u>	<u>(2,236)</u>
Interest paid	(963)	(913)
Tax paid	(481)	(474)
Tax refund	44	-
Net cash used in operating activities	<u>(7,669)</u>	<u>(3,623)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(48,420)	-
Purchase of property, plant and equipment	(316)	(197)
Acquisition of subsidiaries for cash, net of cash acquired	(2,554)	-
Proceeds from disposal of property, plant and equipment	-	71
Withdrawal/(Placement) of time deposits	33,102	85,604
Advances to a jointly controlled entity	(6,003)	(15,887)
Interest received	5,933	4,042
Net cash (used in)/from investing activities	<u>(18,258)</u>	<u>73,633</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of term loans	45,125	-
Repayments of term loans	-	(4,981)
Proceeds of unsecured loan to a non-controlling shareholder	6,265	-
Repayments of unsecured loan to a non-controlling shareholder	(3,324)	(13,524)
Dividend paid	(6,185)	-
Treasury shares repurchased	(3,131)	(621)
Net cash from/(used in) financing activities	<u>38,750</u>	<u>(19,126)</u>
Net change in cash and cash equivalents	<u>12,823</u>	<u>50,884</u>
Effects of exchange rate changes on cash and cash equivalents	9,872	624
Cash and cash equivalents at beginning of financial period/year	129,318	77,810
Cash and cash equivalents at end of financial period/year	<u>152,013</u>	<u>129,318</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----									Distributable		Non-controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Asset revaluation reserve	Foreign exchange translation reserve	Fair value reserve	Statutory reserve fund	Other reserve	Treasury shares	retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2015													
At 01.01.15	178,026	15,096	19,000	2,517	26,247	45	8,131	4,728	(1,253)	43,427	295,964	50,501	346,465
Comprehensive income													
Loss for the financial year	-	-	-	-	-	-	-	-	-	(11,942)	(11,942)	(1,274)	(13,216)
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	41,187	-	1,879	1,215	-	-	44,281	5,472	49,753
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(29)	-	-	-	-	(29)	(13)	(42)
Total other comprehensive income for the financial year	-	-	-	-	41,187	(29)	1,879	1,215	-	-	44,252	5,459	49,711
Total comprehensive income for the financial year	-	-	-	-	41,187	(29)	1,879	1,215	-	(11,942)	32,310	4,185	36,495
Transactions with owners													
Transfer to statutory reserve fund	-	-	-	-	-	-	171	-	-	(171)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	(3,131)	-	(3,131)	-	(3,131)
Surplus on revaluation of buildings	-	-	-	269	-	-	-	-	-	-	269	323	592
Interim single-tier dividend of 3.5% per share in respect of the financial year ended 31.12.2014	-	-	-	-	-	-	-	-	-	(6,185)	(6,185)	-	(6,185)
Total transactions with owners	-	-	-	269	-	-	171	-	(3,131)	(6,356)	(9,047)	323	(8,724)
At 31.12.15	178,026	15,096	19,000	2,786	67,434	16	10,181	5,943	(4,384)	25,129	319,227	55,009	374,236
12 months ended 31 December 2014													
At 01.01.14	178,026	27,609	19,000	2,028	11,685	396	7,433	4,430	(13,145)	84,753	322,215	59,375	381,590
Comprehensive income													
Loss for the financial year	-	-	-	-	-	-	-	-	-	(41,134)	(41,134)	(12,672)	(53,806)
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	14,562	-	506	298	-	-	15,366	3,299	18,665
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(351)	-	-	-	-	(351)	(86)	(437)
Total other comprehensive income for the financial year	-	-	-	-	14,562	(351)	506	298	-	-	15,015	3,213	18,228
Total comprehensive income for the financial year	-	-	-	-	14,562	(351)	506	298	-	(41,134)	(26,119)	(9,459)	(35,578)
Transactions with owners													
Transfer to statutory reserve fund	-	-	-	-	-	-	192	-	-	(192)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	(621)	-	(621)	-	(621)
Surplus on revaluation of buildings	-	-	-	489	-	-	-	-	-	-	489	585	1,074
Special share dividend of eight (8) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held in respect of the financial year ended 31.12.2013	-	(12,513)	-	-	-	-	-	-	12,513	-	-	-	-
Total transactions with owners	-	(12,513)	-	489	-	-	192	-	11,892	(192)	(132)	585	453
At 31.12.14	178,026	15,096	19,000	2,517	26,247	45	8,131	4,728	(1,253)	43,427	295,964	50,501	346,465

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (MFRS) 134

A.1 Accounting Policies

This condensed consolidated interim financial statements (Condensed Report) is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014.

The accounting policies and methods of computation adopted in this Condensed Report are consistent with those adopted in the Group's annual audited financial statements for the financial year ended 31 December 2014 except for the adoption of the following new MFRSs and Amendments to MFRSs that were issued but not yet effective and have not been applied by the Group from 1 January 2015:

		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
Amendments to MFRS 7	Financial Instruments : Disclosures	1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements	1 January 2016
Amendments to MFRS 11	Joint Arrangements	1 January 2016
Amendments to MFRS 12	Disclosure of Interests in Other Entities	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2016
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2016
Amendments to MFRS 119	Employee Benefits	1 January 2016
Amendments to MFRS 127	Separate Financial Statements	1 January 2016
Amendments to MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
Amendments to MFRS 138	Intangible Assets	1 January 2016
Amendments to MFRS 141	Agriculture	1 January 2016

The directors expect that the adoption of the new MFRSs and Amendments to MFRSs above will not have any impact on the interim financial report in the year of initial application.

A.2 Qualification of Preceding Annual Financial Statements

The audit report of the Company's most recent annual financial statements was reported without qualification.

A.3 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A.4 Unusual Material Event

There were no material unusual events affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A.5 Material Changes in Estimates

There were no significant changes in estimates of amounts reported which would have a material effect in the current financial quarter under review.

A.6 Debts and Equity Securities

During the current financial quarter, the Company had not repurchased any ordinary shares of RM1.00 each of its issued share capital from the open market. As at 31 December 2015, a total of 5,288,275 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

Apart from the above, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale/repurchase of treasury shares during the current financial year-to-date.

A.7 Dividend Paid

An interim single-tier dividend of 3.5 sen per share amounting to RM6,185,069 in respect of the financial year ended 31 December 2014 was paid on 27 March 2015.

A.8 Operating Segments

The Group has three reportable segments as shown below, which are the Group's strategic business units in three principal geographical areas. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

a. By Activity

	Warehousing & related value added services	Transportation & distribution	Freight forwarding	Consolidated
	RM'000	RM'000	RM'000	RM'000
3 months ended 31.12.2015				
External revenue	<u>6,838</u>	<u>165</u>	<u>159</u>	<u>7,162</u>
Segment (loss)/profit	<u>(1,991)</u>	<u>(230)</u>	<u>134</u>	<u>(2,087)</u>
3 months ended 31.12.2014				
External revenue	<u>9,426</u>	<u>2,403</u>	<u>97</u>	<u>11,926</u>
Segment (loss)/profit	<u>(34,351)</u>	<u>(6,099)</u>	<u>35</u>	<u>(40,415)</u>
12 months ended 31.12.2015				
External revenue	<u>29,634</u>	<u>1,605</u>	<u>241</u>	<u>31,480</u>
Segment (loss)/profit	<u>(1,475)</u>	<u>(61)</u>	<u>135</u>	<u>(1,401)</u>
12 months ended 31.12.2014				
External revenue	<u>31,912</u>	<u>10,071</u>	<u>428</u>	<u>42,411</u>
Segment (loss)/profit	<u>(33,925)</u>	<u>(5,875)</u>	<u>91</u>	<u>(39,709)</u>
Reconciliation of reportable segment (loss)/profit	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Total loss from reportable segments	(2,087)	(40,415)	(1,401)	(39,709)
Other non-reportable segments	(831)	(1,315)	(766)	(4,162)
Share of results of associates	(185)	(970)	656	(1,254)
Share of results of a jointly controlled entity	(1,538)	(2,136)	(10,934)	(8,138)
Consolidated loss before tax	<u>(4,641)</u>	<u>(44,836)</u>	<u>(12,445)</u>	<u>(53,263)</u>

A.8 Operating Segments (cont'd)

b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	160	-	160	-
The People's Republic of China (incl. Hong Kong)	7,002	11,926	31,320	42,411
	<u>7,162</u>	<u>11,926</u>	<u>31,480</u>	<u>42,411</u>
Loss before tax	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	(153)	(1,250)	1,623	(4,103)
The People's Republic of China (incl. Hong Kong)	(2,950)	(41,450)	(3,134)	(41,022)
United Arab Emirates	(1,538)	(2,136)	(10,934)	(8,138)
	<u>(4,641)</u>	<u>(44,836)</u>	<u>(12,445)</u>	<u>(53,263)</u>

A.9 Valuations of Property, Plant and Equipment

The property, plant and equipment were valued based on valuations performed by an independent registered valuer as at 31 December 2015. The increase arising from the valuations amounting to RM0.8 million has been incorporated into the financial statements during the quarter under review.

A.10 Material Subsequent Events

There is no material event subsequent to the end of the period under review.

A.11 Changes in The Composition of the Group

On 16 June 2015, the Company had acquired 2 ordinary shares of RM1.00 each in IL Energy Sdn. Bhd. ("IL Energy"), representing 100% of the issued and paid up share capital of IL Energy for a total cash consideration of RM2.00.

On 8 July 2015, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had acquired 2 ordinary shares of RM1.00 each in IL Solar Sdn. Bhd. ("IL Solar"), representing 100% of the issued and paid up share capital of IL Solar for a total cash consideration of RM2.00.

On 14 July 2015, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had completed the share sale in relation to the Share Sale Agreement dated 17 June 2015 entered into with all three shareholders of EVN Vision Sdn. Bhd. ("EVN") namely, Irene Martin, Loh Cheng Keat and Dato' Loh Chiew Hor, to acquire 100% equity interest in EVN for a total cash consideration of Ringgit Malaysia Two Million Five Hundred and Twenty Four Thousand Only (RM2,524,000.00).

On 21 July 2015, Integrated Logistics (H.K.) Limited, in which ILB has 70% effective equity interest had completed the disposal of the entire 35% equity interest in Shanghai Puhwa Logistics Co. Ltd. to Shanghai Pu Ying Logistics Co. Ltd. for a total cash consideration of RMB1.00.

On 29 July 2015, Changchun ISH Logistics (HK) Limited, a wholly-owned subsidiary of Integrated Logistics (H.K.) Limited in which ILB has 70% effective equity interest, has been deregistered pursuant to section 751 of the Companies Ordinance of Hong Kong.

On 31 July 2015, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had entered into a Share Sale Agreement with all three shareholders of Feel Solar Sdn. Bhd. ("Feel Solar") namely, Leow Woon Sheng, Ang Yok Chin @ Ang Yok Yin and Khaw Cheow Heem, to acquire 100,000 ordinary shares of RM1.00 each representing 100% of the issued share capital of Feel Solar for a total cash consideration of Ringgit Malaysia One Hundred Fifteen Thousand Three Hundred and Eighty Eight Only (RM115,388.00) upon the terms and conditions stated in the Agreement.

A.12 Contingent Liabilities and Contingent Assets

As at the end of the reporting quarter, corporate guarantees given by the Company to financial institutions for banking facilities granted to a subsidiary amounted to RM45.1 million, and to a jointly controlled entity amounted to RM54.7 million.

Apart from the above, there were no other contingent liabilities and contingent assets since the last annual reporting date.

A.13 Capital Commitment

As at the end of the reporting quarter, the Group has capital commitments totalling RM22.6 million in respect of the construction of a solar power plant, the acquisition of a freehold 3 storey building and the construction of warehouse buildings in the People's Republic of China.

B. Explanatory Notes As Per Bursa Malaysia - Listing Requirements Chapter 9.22 of Part K

B.1 Review of Performance

a. Comparison Between Current Financial Year And Preceding Financial Year's Results

For the current financial year ended 31 December 2015, the Group posted a revenue of RM31.5 million which was 25.7% lower than the revenue of RM42.4 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue decrease from the warehousing & related value added services and transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM12.4 million for the current financial year as compared to the pre-tax loss for the corresponding period in the preceding year of RM53.3 million. The decrease in pre-tax loss of RM40.9 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Impairment loss on investment in Associate in prior year	41.6
Impairment loss on investment in Associate in current year	(1.8)
Increase in operating costs	(0.9)
Decrease in other income	(0.5)
Increase in losses from Associate	(0.3)
Increase in finance costs	(0.2)
ii) <u>Malaysia</u>	
Decrease in operating costs	2.7
Increase in profit from Associate	2.2
Increase in other income	0.9
iii) <u>United Arab Emirates</u>	
Increase in losses from Jointly Controlled Entity	(2.8)
	<u>40.9</u>

b. Comparison Between Current Quarter And Corresponding Period In The Preceding Year's Results

For the current quarter ended 31 December 2015, the Group posted a revenue of RM7.2 million which was 39.5% lower than the revenue of RM11.9 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue decrease from the warehousing & related value added services and transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM4.6 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM44.8 million. The decrease in pre-tax loss of RM40.2 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Impairment loss on investment in Associate in prior year	41.6
Impairment loss on investment in Associate in current year	(1.8)
Decrease in other income	(0.9)
Increase in operating costs	(0.4)
Decrease in losses from Associate	0.3
Increase in finance costs	(0.3)
ii) <u>Malaysia</u>	
Decrease in operating costs	0.9
Increase in profit from Associate	0.5
Decrease in other income	(0.3)
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	0.6
	<u>40.2</u>

B.2 Comparison With Immediate Preceding Quarter's Results

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 13.3% from RM8.3 million to RM7.2 million. The lower revenue was mainly due to revenue decrease from the warehousing & related value added services segment of the Group's operations in the People's Republic of China.

The Group recorded a pre-tax loss of RM4.6 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM1.8 million. The increase in pre-tax loss of RM2.8 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Impairment loss on investment in Associate in current year	(1.8)
Increase in losses from Associate	(1.1)
Increase in finance costs	(0.3)
Decrease in other income	(0.2)
ii) <u>Malaysia</u>	
Decrease in profit from Associate	(1.2)
Decrease in other income	(0.6)
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	2.4
	<u>(2.8)</u>

B.3 Prospects

In view of the current global economic conditions, the Board foresees the market conditions will continue to remain challenging for the year. While measures continue to be taken to ensure the sustainability of the Group's revenue & operations, the challenging environment is expected to have an impact on the Group's performance for the current financial quarter.

B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

B.5 Tax Expense

	Current financial quarter ended 31.12.2015 RM'000	Current financial year-to-date ended 31.12.2015 RM'000
Tax expense comprises :-		
Current income tax	70	703
Deferred tax	68	68
Tax expense for the financial period	<u>138</u>	<u>771</u>

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial period ended 31 December 2015 are as follows:-

	Current financial quarter ended 31.12.2015 RM'000	Current financial year-to-date ended 31.12.2015 RM'000
Loss before tax	<u>(4,641)</u>	<u>(12,445)</u>
Tax at Malaysian statutory income tax rate of 25%	(1,160)	(3,111)
Effect of changes in tax rates on opening balance of deferred tax	4	5
Different tax rates in other countries	764	1,129
Adjustments:		
Share of results of associates	(141)	(576)
Share of results of jointly controlled entities	385	2,734
Tax effect on non-taxable revenue	(195)	(957)
Tax effect on non-deductible expenses	396	1,384
Tax effect of withholding tax in foreign subsidiaries	73	82
Deferred tax assets not recognised during the financial year	102	312
Utilisation of deferred tax assets not recognised in prior financial years	(90)	(188)
Over provision in prior year		
- income tax	-	(43)
Income tax expense recognised in profit or loss	<u>138</u>	<u>771</u>

B.6 Status of Corporate Proposals

There was no corporate proposal announced but not completed during the current quarter and financial year-to-date.

B.7 Group Borrowings and Debt Securities

	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000
a. Short term borrowings		
Secured :-		
Portion of term loans repayable within 12 months	2,147	-
Unsecured :-		
Loan from a non-controlling shareholder repayable within 12 months	32,026	151
	<u>34,173</u>	<u>151</u>
b. Long term borrowings		
Secured :-		
Portion of term loans repayable after 12 months	42,978	-
Unsecured :-		
Loan from a non-controlling shareholder repayable after 12 months	6,265	27,674
	<u>49,243</u>	<u>27,674</u>
c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign currencies:-		
	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000
(i) In US Dollars		
Portion of term loans repayable within 12 months	2,147	-
Portion of term loans repayable after 12 months	42,978	-
	<u>45,125</u>	<u>-</u>
(ii) In Hong Kong Dollars		
Loan from a non-controlling shareholder repayable within 12 months	32,026	151
Loan from a non-controlling shareholder repayable after 12 months	6,265	27,674
	<u>38,291</u>	<u>27,825</u>

B.8 Financial Instruments

a. Derivatives

There were no outstanding derivatives (including instruments designated as hedging instruments) in the current financial quarter under review.

b. Gains/(losses) arising from fair value changes in financial liabilities

There were no gain/(loss) arising from the fair value changes in financial liabilities in the current financial quarter under review.

B.9 Material Litigation

As at the date of this announcement, there were no material changes in litigations since the last annual reporting date.

B.10 Dividend Payable

No dividend is payable as at the end of the financial quarter. However, on the 29 February 2016, the Board declared an interim single tier dividend of 2.5 sen per share in respect of the financial year ended 31 December 2015. The interim dividend will be paid on the 8 April 2016 to shareholders whose names appear in the Records of Depositors on the 14 March 2016.

B.11 Loss Per Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Loss attributable to owners of the Parent (RM'000)	(3,692)	(32,689)	(11,942)	(41,134)
Weighted average number of ordinary shares for basic EPS ('000)	172,737	176,716	174,721	176,767
Basic EPS (sen)	<u>(2.1)</u>	<u>(18.5)</u>	<u>(6.8)</u>	<u>(23.3)</u>

B.12 Realised and Unrealised Profits/(Losses) Disclosure

	As at 31.12.2015	As at 31.12.2014
Total retained earnings of the Company and its subsidiaries	RM'000	RM'000
- Realised	103,182	74,836
- Unrealised	<u>75</u>	<u>27</u>
	<u>103,257</u>	<u>74,863</u>
Total share of retained earnings from associates		
- Realised	11,632	11,070
- Unrealised	<u>(3,386)</u>	<u>(3,482)</u>
	<u>8,246</u>	<u>7,588</u>
Total share of accumulated losses from jointly controlled entities		
- Realised	(37,466)	(26,531)
- Unrealised	<u>-</u>	<u>-</u>
	<u>(37,466)</u>	<u>(26,531)</u>
Less : Consolidation adjustments	<u>(48,908)</u>	<u>(12,493)</u>
Total retained earnings of the Group	<u>25,129</u>	<u>43,427</u>

B.13 Loss Before Tax

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

	Current financial quarter ended 31.12.2015	Current financial year-to-date ended 31.12.2015
	RM'000	RM'000
Amortisation of land use rights	90	392
Auditors' remuneration		
- statutory audit	73	288
Depreciation of property, plant and equipment	439	1,998
Directors' remuneration		
- fees	149	388
- other emoluments	307	2,333
Government subsidies	(195)	(195)
Loss/(Gain) on foreign exchange		
- realised	394	48
- unrealised	(10)	(75)
Impairment of goodwill on consolidation	42	42
Impairment loss on investment in associate	1,851	1,851
Income distribution from short term fund	(157)	(1,072)
Interest expense	455	961
Interest income	(1,047)	(4,861)
Provision for employee benefits	8	8
Rental of warehouse and office buildings	2,094	9,156
Rental of store and equipment	21	31
Rental of warehouse	(382)	(1,608)
Staff costs		
- Contribution to defined contribution plan	56	129
- Salaries and others	<u>3,720</u>	<u>11,398</u>

B.14 Comparative Figures

Certain comparative figures have been reclassified where necessary to conform with the current quarter's presentation.

By Order of the Board

Amarjit Singh A/L Banta Singh
Company Secretary

Selangor
29 February 2016