



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	3,095	1,913	5,666	6,427
Operating costs	(4,803)	(4,114)	(11,158)	(10,325)
Other income	1,603	1,912	3,330	3,433
	<hr/>	<hr/>	<hr/>	<hr/>
Loss from operations	(105)	(289)	(2,162)	(465)
Finance costs	(850)	(156)	(1,425)	(308)
Share of results of				
Associates	(1,278)	(440)	(1,181)	(1,291)
Jointly controlled entity	(80)	(2,927)	(1,268)	(5,430)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss before tax	(2,313)	(3,812)	(6,036)	(7,494)
Tax expense	79	(4)	39	(39)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss from continuing operations	(2,234)	(3,816)	(5,997)	(7,533)
Discontinued operations				
(Loss)/Profit from discontinued operations, net of tax	(740)	48	(1,439)	1,145
	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the financial period	<u>(2,974)</u>	<u>(3,768)</u>	<u>(7,436)</u>	<u>(6,388)</u>
Attributable to:				
Owners of the parent				
- From continuing operations	(1,685)	(3,545)	(5,343)	(6,848)
- From discontinued operations	(518)	34	(1,007)	801
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,203)	(3,511)	(6,350)	(6,047)
Non-controlling interests	(771)	(257)	(1,086)	(341)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the financial period	<u>(2,974)</u>	<u>(3,768)</u>	<u>(7,436)</u>	<u>(6,388)</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 2015.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(2,974)	(3,768)	(7,436)	(6,388)
Other comprehensive income, net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	3,073	2,800	(20,504)	19,843
Fair value adjustment of available-for-sale financial assets	-	2	(39)	1
Total other comprehensive income/(loss) for the financial period, net of tax	3,073	2,802	(20,543)	19,844
Total comprehensive income/(loss) for the financial period	<u>99</u>	<u>(966)</u>	<u>(27,979)</u>	<u>13,456</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	565	(594)	(22,153)	10,903
Non-controlling interests	(466)	(372)	(5,826)	2,553
Total comprehensive income/(loss) for the financial period	<u>99</u>	<u>(966)</u>	<u>(27,979)</u>	<u>13,456</u>
Basic loss per share attributable to owners of the parent (sen)				
- From continuing operations	(1.0)	(2.0)	(3.1)	(3.9)
- From discontinued operations	(0.3)	0.0	(0.6)	0.5
	<u>(1.3)</u>	<u>(2.0)</u>	<u>(3.7)</u>	<u>(3.4)</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 2015.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.16 RM'000	As at 31.12.15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,586	69,130
Land use rights	16,218	17,848
Capital work-in-progress	53,634	58,605
Intangible assets	2,725	2,725
Interest in associates	35,401	43,273
Interest in a jointly controlled entity	21,057	23,771
Other investments	480	1,634
Amount owing by a jointly controlled entity	60,379	64,290
	258,480	281,276
Current assets		
Trade receivables	237	7,115
Other receivables, deposits and prepayments	18,350	13,952
Amount owing by a jointly controlled entity	27,994	24,547
Tax assets	631	621
Short term fund	62,147	31,569
Cash & cash equivalents	45,107	120,781
	154,466	198,585
Assets of disposal group classified as held for sale	78,235	-
	232,701	198,585
TOTAL ASSETS	491,181	479,861
EQUITY AND LIABILITIES		
Equity		
Share capital	178,026	178,026
Reserves	119,114	145,585
Treasury shares	(4,384)	(4,384)
Total equity attributable to owners of the parent	292,756	319,227
Non-controlling interests	49,184	55,010
Total equity	341,940	374,237
Non-current liabilities		
Long term borrowings	52,932	49,243
Deferred tax liabilities	1,318	1,563
	54,250	50,806
Current liabilities		
Trade payables	126	605
Other payables, deposits and accruals	14,166	19,377
Short term borrowings	78,533	33,990
Tax payables	158	846
	92,983	54,818
Liabilities of disposal group classified as held for sale	2,008	-
	94,991	54,818
Total Liabilities	149,241	105,624
	491,181	479,861

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 2015.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	30.06.16	30.06.15
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(6,036)	(7,494)
(Loss)/Profit before tax from discontinued operations	(1,439)	1,462
Loss before tax, total	<u>(7,475)</u>	<u>(6,032)</u>
Adjustments for :-		
Amortisation of land use rights	201	186
Depreciation of property, plant and equipment	912	994
Bad debts written off	2	-
Gain on unrealised foreign exchange	(9)	(24)
Share of results of associates	1,181	1,291
Share of results of a jointly controlled entity	1,268	5,430
Income distribution from short term fund	(1,138)	(677)
Interest income	(1,789)	(2,654)
Interest expense	1,425	308
Operating loss before working capital changes	<u>(5,422)</u>	<u>(1,178)</u>
(Increase)/Decrease in trade and other receivables	(2,826)	609
Decrease in trade and other payables	(3,689)	(1,343)
Cash used in operations	<u>(11,937)</u>	<u>(1,912)</u>
Interest paid	(1,177)	(310)
Tax paid	(637)	(453)
Net cash used in operating activities	<u>(13,751)</u>	<u>(2,675)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress incurred	(5,078)	(13,560)
Purchase of property, plant and equipment	(43)	(134)
Placement of fixed deposits	(102)	-
(Placement)/Redemption of short term fund	(30,578)	9,515
Advances to a jointly controlled entity	(5,089)	-
Dividend received	5,000	-
Interest received	1,640	3,331
Net cash used in investing activities	<u>(34,250)</u>	<u>(848)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	11,262	-
Repayments of term loan	(29)	-
Drawdown of unsecured loan from a corporate shareholder	41,568	-
Dividend paid	(4,318)	(6,185)
Interest paid	(89)	-
Treasury shares repurchased	-	(1,622)
Net cash from/(used in) financing activities	<u>48,394</u>	<u>(7,807)</u>
Net change in cash and cash equivalents	<u>393</u>	<u>(11,330)</u>
Effects of exchange rate changes on cash and cash equivalents	(5,834)	7,363
Cash and cash equivalents at beginning of financial period	120,444	114,282
Cash and cash equivalents at end of financial period	<u>115,003</u>	<u>110,315</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 2015.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----							-----Distributable-----					Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Asset revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Statutory reserve fund RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000			
6 months ended 30 June 2016														
At 01.01.16	178,026	15,096	19,000	2,786	67,434	16	10,181	5,943	(4,384)	25,129	319,227	55,010	374,237	
Comprehensive loss														
Loss for the financial period	-	-	-	-	-	-	-	-	-	(6,350)	(6,350)	(1,086)	(7,436)	
Other comprehensive loss														
Foreign currency translation differences	-	-	-	-	(14,763)	-	(632)	(369)	-	-	(15,764)	(4,740)	(20,504)	
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(39)	-	-	-	-	(39)	-	(39)	
Total other comprehensive loss for the financial period	-	-	-	-	(14,763)	(39)	(632)	(369)	-	-	(15,803)	(4,740)	(20,543)	
Total comprehensive loss for the financial period	-	-	-	-	(14,763)	(39)	(632)	(369)	-	(6,350)	(22,153)	(5,826)	(27,979)	
Transactions with owners														
Interim single-tier dividend of 2.5% per share in respect of the financial year ended 31.12.2015	-	-	-	-	-	-	-	-	-	(4,318)	(4,318)	-	(4,318)	
Total transactions with owners	-	-	-	-	-	-	-	-	-	(4,318)	(4,318)	-	(4,318)	
At 30.06.16	178,026	15,096	19,000	2,786	52,671	(23)	9,549	5,574	(4,384)	14,461	292,756	49,184	341,940	
6 months ended 30 June 2015														
At 01.01.15	178,026	15,096	19,000	2,516	26,247	45	8,131	4,728	(1,253)	43,428	295,964	50,501	346,465	
Comprehensive loss														
Loss for the financial period	-	-	-	-	-	-	-	-	-	(6,047)	(6,047)	(341)	(6,388)	
Other comprehensive income														
Foreign currency translation differences	-	-	-	-	15,925	-	648	376	-	-	16,949	2,894	19,843	
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	1	-	-	-	-	1	-	1	
Total other comprehensive income for the financial period	-	-	-	-	15,925	1	648	376	-	-	16,950	2,894	19,844	
Total comprehensive income for the financial period	-	-	-	-	15,925	1	648	376	-	(6,047)	10,903	2,553	13,456	
Transactions with owners														
Purchase of treasury shares	-	-	-	-	-	-	-	-	(1,622)	-	(1,622)	-	(1,622)	
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	-	-	-	-	-	-	-	-	(1,622)	(6,185)	(7,807)	-	(7,807)	
At 30.06.15	178,026	15,096	19,000	2,516	42,172	46	8,779	5,104	(2,875)	31,196	299,060	53,054	352,114	

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 2015.

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 2015.

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 2015 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 2016:

		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
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 107	Statements of Cash Flows	1 January 2017
Amendments to MFRS 112	Income Taxes	1 January 2017
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred

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 30 June 2016, 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 2.5 sen per share amounting to RM4,318,435 in respect of the financial year ended 31 December 2015 was paid on 8 April 2016.

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 RM'000	Transportation & distribution RM'000	Freight forwarding RM'000	Consolidated RM'000
3 months ended 30.06.2016				
External revenue				
- From continuing operations	2,965	130	-	3,095
- From discontinued operations	3,430	1	-	3,431
	<u>6,395</u>	<u>131</u>	<u>-</u>	<u>6,526</u>
Segment loss				
- From continuing operations	(1,231)	(127)	-	(1,358)
- From discontinued operations	(228)	-	-	(228)
	<u>(1,459)</u>	<u>(127)</u>	<u>-</u>	<u>(1,586)</u>
3 months ended 30.06.2015				
External revenue				
- From continuing operations	2,142	(229)	-	1,913
- From discontinued operations	4,488	61	2	4,551
	<u>6,630</u>	<u>(168)</u>	<u>2</u>	<u>6,464</u>
Segment (loss)/profit				
- From continuing operations	(810)	29	(9)	(790)
- From discontinued operations	561	21	3	585
	<u>(249)</u>	<u>50</u>	<u>(6)</u>	<u>(205)</u>
6 months ended 30.06.2016				
External revenue				
- From continuing operations	5,439	227	-	5,666
- From discontinued operations	6,876	34	-	6,910
	<u>12,315</u>	<u>261</u>	<u>-</u>	<u>12,576</u>
Segment (loss)/profit				
- From continuing operations	(2,538)	(145)	-	(2,683)
- From discontinued operations	(405)	13	-	(392)
	<u>(2,943)</u>	<u>(132)</u>	<u>-</u>	<u>(3,075)</u>
6 months ended 30.06.2015				
External revenue				
- From continuing operations	5,307	1,054	66	6,427
- From discontinued operations	9,433	112	10	9,555
	<u>14,740</u>	<u>1,166</u>	<u>76</u>	<u>15,982</u>
Segment (loss)/profit				
- From continuing operations	(1,200)	54	(3)	(1,149)
- From discontinued operations	1,641	44	6	1,691
	<u>441</u>	<u>98</u>	<u>3</u>	<u>542</u>

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

Reconciliation of reportable segment (loss)/profit	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments				
- From continuing operations	(1,358)	(790)	(2,683)	(1,149)
- From discontinued operations	(228)	585	(392)	1,691
Other non-reportable segments	(109)	59	(1,951)	147
Share of results of associates	(1,278)	(440)	(1,181)	(1,291)
Share of results of a jointly controlled entity	(80)	(2,927)	(1,268)	(5,430)
Consolidated loss before tax	<u>(3,053)</u>	<u>(3,513)</u>	<u>(7,475)</u>	<u>(6,032)</u>

b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	3,095	1,913	5,666	6,427
- From discontinued operations	3,431	4,551	6,910	9,555
	<u>6,526</u>	<u>6,464</u>	<u>12,576</u>	<u>15,982</u>

Loss before tax	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Malaysia	(91)	31	(1,867)	105
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(2,142)	(916)	(2,901)	(2,169)
- From discontinued operations	(740)	299	(1,439)	1,462
United Arab Emirates	(80)	(2,927)	(1,268)	(5,430)
	<u>(3,053)</u>	<u>(3,513)</u>	<u>(7,475)</u>	<u>(6,032)</u>

A.9 Discontinued Operations

On 19 April 2016, Integrated Logistics (H.K.) Limited, an indirect 70%-owned subsidiary of ILB, has entered into a Deed of Sale and Purchase with Natural Creation Limited & Joint Fun Company Limited for the disposal of entire equity interest in ISH Logistics (Shanghai) Limited and ISH Cargo Services (HK) Company Limited respectively for an aggregate cash consideration of HKD137.3 million.

In accordance with MFRS 5: Non-Current Assets Held For Sale and Discontinued Operations, ISH Shanghai and ISH Cargo are classified as disposal group held for sale/discontinued operations. The results and cash flow of the disposal group were classified as "Discontinued Operations" in the Condensed Consolidated Statement of Comprehensive Income.

(Loss)/Profit attributable to the discontinued operations were as follows:-

	Individual period ended		Cumulative period ended	
	3 months ended		6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Revenue	3,431	4,551	6,910	9,555
Operating costs	(4,432)	(4,632)	(8,854)	(9,234)
Other income	261	380	505	1,141
(Loss)/Profit from operations	<u>(740)</u>	<u>299</u>	<u>(1,439)</u>	<u>1,462</u>
Finance costs	-	-	-	-
(Loss)/Profit before tax	<u>(740)</u>	<u>299</u>	<u>(1,439)</u>	<u>1,462</u>
Tax expense	-	(251)	-	(317)
(Loss)/Profit for the financial period	<u>(740)</u>	<u>48</u>	<u>(1,439)</u>	<u>1,145</u>

A.9 Discontinued Operations (cont'd)

The cash flows attributable to the discontinued operations are as follows:

	Cumulative period ended	
	6 months ended	
	30.06.16	30.06.15
	RM'000	RM'000
Operating cash flows	(44,543)	(518)
Investing cash flows	179	301
	<u>(44,364)</u>	<u>(217)</u>

A.10 Valuations of Property, Plant and Equipment

The valuation of land and building has been brought forward without amendment from the previous audited Annual Financial Statements.

A.11 Material Subsequent Events

On 8 July 2016, Integrated Logistics (H.K.) Limited, an indirect 70%-owned subsidiary of ILB, had completed the share sale in relation to the Deed of Sale and Purchase dated 19 April 2016 entered into with Natural Creation Limited & Joint Fun Company Limited for the disposal of entire equity interest in ISH Logistics (Shanghai) Limited and ISH Cargo Services (HK) Company Limited respectively for an aggregate cash consideration of HKD137.3 million.

On 12 July 2016, the Company had completed the land acquisition in relation to the Sale and Purchase Agreement dated 14 March 2016 entered into with Zillion-Lite Venture Sdn Bhd to acquire five (5) adjoining parcels of freehold vacant agriculture land situated in Bandar Kayu Hitam, Daerah Kubang Pasu, Kedah, measuring a total of approximately 31.1149 hectares for a total cash consideration of RM30 million.

A.12 Changes in The Composition of the Group

On 19 April 2016, Integrated Logistics (H.K.) Limited, an indirect 70%-owned subsidiary of ILB, has entered into a Deed of Sale and Purchase with Natural Creation Limited & Joint Fun Company Limited for the disposal of entire equity interest in ISH Logistics (Shanghai) Limited and ISH Cargo Services (HK) Company Limited respectively for an aggregate cash consideration of HKD137.3 million.

A.13 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 RM48.8 million, and to a jointly controlled entity amounted to RM45.7 million.

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

A.14 Capital Commitment

As at the end of the reporting quarter, the Group has capital commitments totalling RM33.7 million in respect of the construction of a solar power plant, the acquisition of a freehold vacant land 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

Continuing operations

For the current financial period ended 30 June 2016, the Group posted a revenue of RM5.7 million which was 10.9% lower than the revenue of RM6.4 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue decrease from the transportation & distribution segment of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM6.0 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM7.5 million. The decrease in pre-tax loss of RM1.5 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in finance costs	(1.0)
Decrease in operating costs	0.5
Decrease in other income	(0.2)
ii) <u>Malaysia</u>	
Increase in operating costs	(2.1)
Increase in other income	0.1
Increase in profit from Associate	0.1
Increase in finance costs	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	4.2
	<u>1.5</u>

Discontinued Operations

For the current financial period ended 30 June 2016, the Group posted a revenue of RM6.9 million which was 28.1% lower than the revenue of RM9.6 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 segment of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM1.4 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM1.5 million. The decrease in pre-tax profit of RM2.9 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in operating costs	(2.3)
Decrease in other income	(0.6)
	<u>(2.9)</u>

B.1 Review of Performance (cont'd)

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

Continuing operations

For the current quarter ended 30 June 2016, the Group posted a revenue of RM3.1 million which was 63.2% higher than the revenue of RM1.9 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to revenue increase from the warehousing & related value added services and the transportation & distribution segments of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM2.3 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM3.8 million. The decrease in pre-tax loss of RM1.5 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in loss from Associate	(0.8)
Increase in finance costs	(0.6)
Decrease in loss generated from increase in revenue	0.5
Decrease in other income	(0.3)
ii) <u>Malaysia</u>	
Increase in finance costs	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	2.8
	<u>1.5</u>

Discontinued Operations

For the current quarter ended 30 June 2016, the Group posted a revenue of RM3.4 million which was 26.1% lower than the revenue of RM4.6 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 segment of the Group's operations in the People's Republic of China.

The Group posted a pre-tax loss of RM0.7 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM0.3 million. The decrease in pre-tax profit of RM1.0 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in profit generated from decrease in revenue	(0.9)
Decrease in other income	(0.1)
	<u>(1.0)</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Revenue		Loss before tax	
	3 months ended		3 months ended	
	30.06.2016	31.03.2016	30.06.2016	31.03.2016
	RM'000	RM'000	RM'000	RM'000
- From continuing operations	3,095	2,571	(2,313)	(3,723)
- From discontinued operations	3,431	3,479	(740)	(699)
	<u>6,526</u>	<u>6,050</u>	<u>(3,053)</u>	<u>(4,422)</u>

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 6.6% from RM6.1 million to RM6.5 million. The higher revenue was mainly due to revenue increase 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 RM3.1 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM4.4 million. The decrease in pre-tax loss of RM1.3 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in loss from Associate	(1.3)
Increase in profit generated from revenue	0.3
Increase in finance costs	(0.3)
Decrease in other income	(0.2)
ii) <u>Malaysia</u>	
Decrease in operating costs	1.7
iii) <u>United Arab Emirates</u>	
Decrease in losses from Jointly Controlled Entity	1.1
	<u>1.3</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 30.06.2016	Current financial year-to-date ended 30.06.2016
	RM'000	RM'000
Tax expense comprises :-		
Current income tax		
- From continuing operations	(79)	(39)
- From discontinued operations	-	-
Tax expense for the financial period	<u>(79)</u>	<u>(39)</u>

B.5 Tax Expense (cont'd)

Reconciliation between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial period ended 30 June 2016 are as follows:-

	Current financial quarter ended 30.06.2016	Current financial year-to-date ended 30.06.2016
	RM'000	RM'000
Loss before tax from continuing operations	(2,313)	(6,036)
Loss before tax from discontinued operations	(740)	(1,439)
Total loss before tax	<u>(3,053)</u>	<u>(7,475)</u>
Tax at Malaysian statutory income tax rate of 24%	(733)	(1,794)
Different tax rates in other countries	477	871
Adjustments:		
Share of results of associates	(5)	(20)
Share of results of a jointly controlled entity	19	304
Tax effect on non-taxable revenue	(428)	(712)
Tax effect on non-deductible expenses	479	1,101
Tax effect of withholding tax in foreign subsidiaries	2	4
Deferred tax assets not recognised during the financial year	265	367
Utilisation of deferred tax assets not recognised in prior financial years	(142)	(147)
Over provision in prior year		
- income tax	(13)	(13)
Income tax expense recognised in profit or loss	<u>(79)</u>	<u>(39)</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 30.06.2016	As at 30.06.2015
	RM'000	RM'000
a. Short term borrowings		
Secured :-		
Portion of term loans repayable within 12 months	6,426	-
Unsecured :-		
Loan from a non-controlling shareholder repayable within 12 months	72,107	161
	<u>78,533</u>	<u>161</u>
b. Long term borrowings	As at 30.06.2016	As at 30.06.2015
	RM'000	RM'000
Secured :-		
Portion of term loans repayable within 12 months	47,172	-
Unsecured :-		
Loan from a non-controlling shareholder repayable after 12 months	5,760	29,878
	<u>52,932</u>	<u>29,878</u>
c. All the above borrowings are denominated in Ringgit Malaysia except for the following loans which are denominated in foreign currencies:-	As at 30.06.2016	As at 30.06.2015
	RM'000	RM'000
(i) In US Dollars		
Portion of term loans repayable within 12 months	6,047	-
Portion of term loans repayable after 12 months	42,780	-
	<u>48,827</u>	<u>-</u>
(ii) In Hong Kong Dollars		
Loan from a non-controlling shareholder repayable within 12 months	72,107	161
Loan from a non-controlling shareholder repayable after 12 months	5,760	29,878
	<u>77,867</u>	<u>30,039</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.

B.11 Loss Per Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarters 6 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
(Loss)/Profit attributable to owners of the Parent (RM'000)				
- From continuing operations	(1,685)	(3,545)	(5,343)	(6,848)
- From discontinued operations	(518)	34	(1,007)	801
	<u>(2,203)</u>	<u>(3,511)</u>	<u>(6,350)</u>	<u>(6,047)</u>
Weighted average number of ordinary shares for basic EPS ('000)	172,737	175,641	172,737	176,172
Basic EPS (sen)				
- From continuing operations	(1.0)	(2.0)	(3.1)	(3.9)
- From discontinued operations	(0.3)	0.0	(0.6)	0.5
	<u>(1.3)</u>	<u>(2.0)</u>	<u>(3.7)</u>	<u>(3.4)</u>

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

	As at 30.06.2016	As at 30.06.2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	83,697	78,741
- Unrealised	9	24
	<u>83,706</u>	<u>78,765</u>
Total share of retained earnings from associates		
- Realised	10,368	9,958
- Unrealised	(3,304)	(3,661)
	<u>7,064</u>	<u>6,297</u>
Total share of accumulated losses from a jointly controlled entity		
- Realised	(38,733)	(31,961)
- Unrealised	-	-
	<u>(38,733)</u>	<u>(31,961)</u>
Less : Consolidation adjustments	<u>(37,576)</u>	<u>(21,905)</u>
Total retained earnings of the Group	<u>14,461</u>	<u>31,196</u>

B.13 Loss Before Tax

The following items, including discontinued operations, have been included in arriving at loss before tax:-

	Current financial quarter ended 30.06.2016	Current financial year-to-date ended 30.06.2016
	RM'000	RM'000
Amortisation of land use rights	102	201
Auditors' remuneration		
- statutory audit	47	90
Bad debts written off	2	2
Depreciation of property, plant and equipment	460	912
Directors' remuneration		
- fees	101	187
- other emoluments	687	1,394
Gain on unrealised foreign exchange		
- realised	(91)	(90)
- unrealised	(21)	(9)
Income distribution from short term fund	(601)	(1,138)
Interest expense	849	1,425
Interest income	(919)	(1,789)
Rental of warehouse and office buildings	2,312	4,627
Rental of equipment	3	6
Rental of warehouse	(381)	(763)
Staff costs		
- Contribution to defined contribution plan	56	104
- Salaries and others	2,566	4,739

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 August 2016