

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD ENDED 30 JUNE 2017
 (The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|---|
| | Current Year Quarter 30.06.2017 RM | Preceding Year Corresponding Quarter 30.06.2016 RM | Current Year To Date 30.06.2017 RM | Preceding Year Corresponding Period 30.06.2016 RM |
| Revenue | 1,424,761 | 1,047,035 | 1,424,761 | 1,047,035 |
| Cost of sales | (949,296) | (166,694) | (949,296) | (166,694) |
| Gross profit | <u>475,465</u> | <u>880,341</u> | <u>475,465</u> | <u>880,341</u> |
| Administrative expenses | (460,582) | (968,860) | (460,582) | (968,860) |
| Other expenses | (450,091) | (560,327) | (450,091) | (560,327) |
| Operating loss | <u>(435,208)</u> | <u>(648,846)</u> | <u>(435,208)</u> | <u>(648,846)</u> |
| Finance income | 2,878 | 2,964 | 2,878 | 2,964 |
| Other operating income | - | 36,503 | - | 36,503 |
| Finance cost | (13,914) | (135,991) | (13,914) | (135,991) |
| Share of loss of associates | - | - | - | - |
| Loss before taxation | <u>(446,244)</u> | <u>(745,370)</u> | <u>(446,244)</u> | <u>(745,370)</u> |
| Taxation | - | - | - | - |
| Loss for the period | <u>(446,244)</u> | <u>(745,370)</u> | <u>(446,244)</u> | <u>(745,370)</u> |
| Non controlling interest | (52,747) | 8,751 | (52,747) | 8,751 |
| Loss for the period after minority interest | <u>(498,991)</u> | <u>(736,619)</u> | <u>(498,991)</u> | <u>(736,619)</u> |
| Other comprehensive income: | | | | |
| Exchange difference on translation of foreign operation | - | - | - | - |
| Total comprehensive loss for the period | <u>(498,991)</u> | <u>(736,619)</u> | <u>(498,991)</u> | <u>(736,619)</u> |
| Loss for the period attributable to: | | | | |
| Equity holders of the Company | (498,991) | (736,619) | (498,991) | (736,619) |
| Non-controlling interests | 52,747 | (484,652) | 52,747 | (8,751) |
| Loss for the period | <u>(446,244)</u> | <u>(745,370)</u> | <u>(446,244)</u> | <u>(745,370)</u> |
| Total comprehensive loss attributable to: | | | | |
| Equity holders of the Company | (551,738) | 649,689 | (551,738) | (727,868) |
| Non-controlling interests | 52,747 | (1,386,308) | 52,747 | (8,751) |
| Total comprehensive loss for the period | <u>(498,991)</u> | <u>(736,619)</u> | <u>(498,991)</u> | <u>(736,619)</u> |
| Basic EPS (sen) | (0.43) | (0.63) | (0.43) | (0.63) |
| Diluted EPS (sen) | N/A | N/A | N/A | N/A |

Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read together with the audited consolidated financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

(The figures have not been audited)

| | Unaudited As at 30.06.2017 RM | Audited As at 31.03.2017 RM |
|--|--|--------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5,306,488 | 5,755,019 |
| Investment Property | 2,381,819 | 2,381,819 |
| Investment in joint venture | - | - |
| Goodwill on consolidation | 4,280,351 | 4,280,351 |
| | <u>11,968,658</u> | <u>12,417,189</u> |
| Current assets | | |
| Inventories | - | - |
| Trade receivables | 3,089,978 | 2,985,097 |
| Other receivables, deposits and prepayments | 1,555,931 | 1,633,399 |
| Tax refundable | 6,725 | 6,725 |
| Fixed deposits with a licensed banks | 135,835 | 133,000 |
| Cash and bank balances | 272,443 | 350,915 |
| | <u>5,060,912</u> | <u>5,109,136</u> |
| TOTAL ASSETS | <u><u>17,029,570</u></u> | <u><u>17,526,325</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 31,299,574 | 31,299,574 |
| Share premium | - | - |
| Warrant reserves | 4,567,977 | 4,567,977 |
| Exchange fluctuation reserve | - | - |
| Fair value adjustment reserve | - | - |
| Revaluation reserve | - | - |
| Accumulated losses | (24,516,466) | (24,017,475) |
| | <u>11,351,085</u> | <u>11,850,076</u> |
| Equity classified as held for sales | - | - |
| Non-controlling interests | (251,169) | (303,916) |
| Total equity | <u>11,099,916</u> | <u>11,546,160</u> |
| Non-current liabilities | | |
| Term loans | 251,000 | 251,000 |
| Finance lease payables | 96,544 | 96,544 |
| Deferred tax liabilities | 648,999 | 648,999 |
| | <u>996,543</u> | <u>996,543</u> |
| Current liabilities | | |
| Trade payables | 2,130,761 | 2,009,847 |
| Other payables and accruals | 1,184,275 | 1,214,783 |
| Amount owing to directors | 92,950 | 70,973 |
| Finance lease payables | 1,525,125 | 1,688,019 |
| Provision for taxation | - | - |
| | <u>4,933,111</u> | <u>4,983,622</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>17,029,570</u></u> | <u><u>17,526,325</u></u> |
| Net assets per share attributable to ordinary equity holders of the parent company (sen) | 9.76 | 10.19 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017
(The figures have not been audited)

| | Attributable to equity holders of the parent | | | | | | | Distributable Accumulated losses RM | Total RM | Non-controlling interest RM | Total Equity RM |
|--|--|------------------------|---------------------------|---|--------------------------|--|------------------------------|--|-------------|-----------------------------------|-----------------------|
| | Share capital RM | Share premium RM | Warrant reserves RM | Foreign currency translation reserve RM | Capital reserve RM | Fair value adjustment reserve RM | Revaluation reserve RM | | | | |
| 30.06.2017 | | | | | | | | | | | |
| 3 months period ended 30 June 2017 | | | | | | | | | | | |
| Balance as at 1 April 2017 | 31,299,574 | - | 4,567,977 | - | - | - | - | (24,017,475) | 11,850,076 | (303,916) | 11,546,160 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - |
| Loss for the financial year | - | - | - | - | - | - | - | (498,991) | (498,991) | 52,747 | (446,244) |
| Total comprehensive loss for the financial period | - | - | - | - | - | - | - | (498,991) | (498,991) | 52,747 | (446,244) |
| Balance as at 30 June 2017 | 31,299,574 | - | 4,567,977 | - | - | - | - | (24,516,466) | 11,351,085 | (251,169) | 11,099,916 |
| 3 months period ended 30 June 2016 | | | | | | | | | | | |
| Balance as at 1 Apr 2016 | 11,273,460 | 18,258,464 | 4,567,977 | 71,254 | 15,429 | 65,807 | 4,460,295 | (15,179,597) | 23,533,089 | 979,020 | 24,512,109 |
| Other comprehensive (loss)/profit for the year, net after tax: | | | | | | | | | | | |
| - foreign currency translation | - | - | - | 155,886 | 8,683 | - | - | (15,396) | 149,173 | 217,320 | 366,493 |
| - reversal of deferred tax liability on revaluation surplus | - | - | - | - | - | - | - | - | - | - | - |
| Total other comprehensive (loss)/ profit for the year | - | - | - | 155,886 | 8,683 | - | - | (15,396) | 149,173 | 217,320 | 366,493 |
| Net loss for the period | - | - | - | - | - | - | - | (1,080,153) | (1,080,153) | (222,893) | (1,303,046) |
| Balance as at 30 June 2016 | 11,273,460 | 18,258,464 | 4,567,977 | 227,140 | 24,112 | 65,807 | 4,460,295 | (16,275,146) | 22,602,109 | 973,447 | 23,575,556 |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2017 and the accompanying notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR PERIOD ENDED 30 JUNE 2017
 (The figures have not been audited)

| | 3 MONTHS 30.06.2017 RM | 3 MONTHS 30.06.2017 RM |
|---|---|---|
| Cash flow from operating activities | | |
| Loss before taxation | (446,244) | (745,370) |
| Non cash adjustment | | |
| Depreciation of property, plant and equipment | 450,091 | 560,317 |
| Gain on disposal of property, plant and equipment | - | (36,698) |
| Written off of Property, plant and equipment | - | - |
| Deposit written off | - | - |
| Finance income | (2,878) | (2,964) |
| Finance costs | 13,914 | 135,991 |
| Operating profit /(loss) before working capital changes | <u>14,883</u> | <u>(88,724)</u> |
| Changes in working capital: | | |
| Decrease in inventories | - | (155,193) |
| Increase /(Decrease) in receivables | (27,413) | 737,630 |
| Increase in payables | 112,383 | 271,829 |
| Cash generated from operations | <u>99,853</u> | <u>765,542</u> |
| Interest received | 2,878 | 2,964 |
| Income tax paid | - | - |
| Net cash generated from operating activities | <u>102,731</u> | <u>768,506</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,560) | (447,372) |
| Proceed on disposal of property, plant and equipment | - | - |
| Net cash used in investing activities | <u>(1,560)</u> | <u>(447,372)</u> |
| Cash flows from financing activities | | |
| Placement of fixed deposit with licensed bank | (2,835) | - |
| Repayment of finance lease payables | (162,894) | (270,511) |
| Repayment of borrowings | - | (213,451) |
| Interest paid | (13,914) | (135,991) |
| Net cash used in financing activities | <u>(179,643)</u> | <u>(619,953)</u> |
| Net decrease in cash and cash equivalents | <u>(78,472)</u> | <u>(298,819)</u> |
| Cash and cash equivalents at beginning of year | 350,915 | 4,636,725 |
| Exchange differences | - | (49,124) |
| Cash and cash equivalents as at 30 June | <u>272,443</u> | <u>4,288,782</u> |
| Cash and cash equivalents as at 30 June comprises the following: | | |
| Cash and bank balances | 272,443 | 4,288,782 |
| Fixed deposits with a licensed bank | 135,935 | - |
| | <u>408,378</u> | <u>4,288,782</u> |
| Less: Fixed deposits pledged | (135,835) | - |
| | <u>272,543</u> | <u>4,288,782</u> |

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2017 and the accompanying notes attached to this interim financial report.

NOTES TO INTERIM FINANCIAL REPORT

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2017. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the year ended 31 March 2017.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 March 2017, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 April 2017.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 March 2017 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal/cyclical factors during the current quarter under review.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter ended 30 June 2017.

6. Material Changes in Estimates

There were no material changes in the nature and amount of estimates reported in prior interim periods of the current financial year or in prior financial years that will have a material effect in the current quarter under review.

7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

8. Dividends Paid

There were no dividends paid and/or proposed during the current quarter under review.

9. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group did not carry out any revaluation on the property, plant and equipment during the current quarter under review.

10. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter under review.

11. Segmental Information

The segmental analysis of revenue and loss before taxation of the Group for the financial period ended 30 June 2017 is tabulated below:

| | Logistics Business RM'000 | Stevedoring Business RM'000 | Engineering RM'000 | Investment holding RM'000 | Total RM'000 |
|-------------------------|---------------------------------|-----------------------------------|-----------------------|---------------------------------|-----------------|
| Revenue | | | | | |
| External revenue | 464 | 522 | 439 | - | 1,425 |
| Inter Segment - revenue | 293 | 180 | - | - | 473 |
| Segment revenue | <u>757</u> | <u>702</u> | <u>439</u> | <u>-</u> | <u>1,898</u> |
| Result | | | | | |
| Loss before tax | <u>(326)</u> | <u>108</u> | <u>(96)</u> | <u>(132)</u> | <u>(446)</u> |

12. Material Events Subsequent to the End of the Interim Period

As at the date of the report, being the latest practicable date of this Report, there are no material events subsequent to the quarter ended 30 June 2017.

13. Contingent Liabilities

| | Current Quarter ended 30.06.2017 RM | Financial Year ended 31.03.2017 RM |
|---|--|---|
| Corporate guarantee given to licensed leasing house for leasing facility granted to a subsidiary | 903,434 | 1,019,273 |
| Corporate guarantee given to a licensed bank for banking facility granted to a subsidiary | 133,000 | 133,000 |
| Corporate guarantee given to a third party for rental of machineries facility granted to a subsidiary | <u>603,111</u> | <u>644,632</u> |
| | <u>1,639,545</u> | <u>1,796,905</u> |

14. Capital Commitments

There were no material capital commitments during the current quarter under review.

15. Related Party Transaction

There were no significant related party transactions during the current quarter except for:

| | 3 months ended | |
|--|-----------------------|-------------------|
| | 30.06.2017 | 30.06.2016 |
| | RM'000 | RM'000 |
| Trucking Services to:- | | |
| Ire-Tex (Malaysia) Sdn Bhd ⁽¹⁾ | 393 | - |
| Jumbo Universe Sdn Bhd ⁽¹⁾ | - | - |
| Zoomic Automation (M) Sdn Bhd ⁽¹⁾ | - | - |
| | <u>393</u> | <u>-</u> |
| Renting lorries from:- | | |
| Ire-Tex (Malaysia) Sdn Bhd | <u>15</u> | <u>-</u> |
| | <u>15</u> | <u>-</u> |

Notes:-

- (1) Ire-Tex (Malaysia) Sdn Bhd, Jumbo Universe Sdn Bhd and Zoomic Automation (M) Sdn Bhd are wholly-owned subsidiaries of Ire-Tex Corporation Berhad.

Ire-Tex Corporation Berhad are recurrent related parties to the Group and the Company in which certain Directors of the Company have substantial interest in these corporations. The Directors have ceased to be substantial shareholder in these corporations since 31 July 2017.

The transactions described above have been entered into normal the normal course of business and established under the term conditions not materially different from those obtainable from transactions with unrelated parties.

PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

16. Review of Performance for the Quarter ended 30 June 2017 and Year-to-date

For the quarter ended 30 June 2017, the Group generated RM1.42 million in revenue, a increase of 36% as compared to the revenue achieved in the preceding year corresponding quarter of approximately of RM1.05 million. The higher revenue in the preceding year corresponding quarter mainly attributable to the resume of the stevedoring operation in Kuantan which has contributed approximately RM500 thousand revenue during current quarter under review.

The Group recorded a loss before taxation (“LBT”) of RM499 thousand as at year-to-date compare to the LBT of RM737 thousand registered in the preceding year corresponding quarter ended 30 June 2016. The decrease in current year losses was mainly resulted from the cost/expenses reduction initiatives undertaken by the Group

17. Comparison between the Current Quarter and the Immediate Preceding Quarter

| | 3 Months Current Quarter 30.06.2017 RM'000 | 3 Months Preceding Quarter 30.06.2017 RM'000 | Changes | |
|--|---|---|------------------|---------------------|
| | | | Amount RM,000 | Percent age % |
| Revenue | 1,424 | 1,804 | (380) | 21 |
| Gross Profit | 475 | 1,035 | (560) | 54 |
| Operating loss | (435) | (7,841) | 7,406 | 94 |
| Loss before tax | (446) | (4,387) | 3,941 | 90 |
| Loss after tax | (446) | (4,388) | 3,942 | 90 |
| Loss attributable to owners of the Company | (498) | (4,907) | 4,410 | 90 |

The Group revenue of RM1.42 million in current quarter representing an decrease of approximately 21% as compared to the revenue of approximately RM1.80 million achieved in the immediate preceding quarter ended 31 March 2017. The decrease was as a result of the disposal of loss making IT business subsidiary in March 2017.

The significant decrease in the operating loss in current quarter 30 June 2017 due to the company made provision of impairment in Interest in Joint venture and impairment of goodwill in the immediate preceding quarter .

Logistics Businesses (including stevedoring) revenue was achieved RM986 thousand with the a minor increase of RM71 thousand compare to RM915 thousand for the Immediate preceding quarter.

The Group registered a LBT of approximately RM498 thousand for the current quarter as compared to the immediate preceding quarter of a LBT of RM4.91million.

18. Prospects for the Current Financial Year

In the face of challenging economic, the Group expected the business environment to remain resilient for the financial year ending 31 March 2018. The Group will continue its efforts to improve and enhance its range of services, products and solution and continue its conservative approach to build the market locally and with regional expansion plans for the Company's services.

The management will continue to explore potential business expansion and to focus on improving operational efficiencies and monitoring and controlling its operational expenses to achieve improved profitability and sustainable business growth.

19. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial period to-date.

20. Taxation

Taxation comprises:

| | 3 months ended | |
|--------------|-----------------------|-------------------|
| | 30.06.2017 | 30.06.2016 |
| | RM | RM |
| Income Tax | | |
| Local | - | - |
| Overseas | - | - |
| Deferred Tax | - | - |
| | <u>-</u> | <u>-</u> |

21. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no purchase or disposals of unquoted investment and /or properties during the current quarter under review and current period to-date.

22. Purchase or Disposal of Quoted Securities

There was no purchases or disposals of quoted securities by the Group during the current quarter under review.

23. Status of Corporate Proposals and Utilisation of Proceeds

There are no corporate proposals during the current quarter under review and current period to-date.

24. Borrowings

Details of the Group's borrowings at 30 June 2017 are as follows:

| | Current 30.06.2017 | Non-Current 30.06.2017 | Total 30.06.2017 |
|-------------------------|-----------------------|---------------------------|---------------------|
| Secured | | | |
| - Term loans | - | - | - |
| - Finance lease payable | 1,525,125 | 96,544 | 1,621,669 |
| Total | 1,525,125 | 96,544 | 1,621,669 |

25. Off Balance Sheet Financial Instruments

The Group has not entered into any off balance sheet financial instruments as at the date of this quarterly report.

26. Material Litigation

As at the date of issue this quarterly report, the Group On 22 October 2015, the subsidiary of the Company - Taz Logistics Sdn Bhd vide its Company's solicitors, initiated legal action ("Legal Matter") against Taz Metals Sdn Bhd and 4 other defendants. whilst against the 1st Defendant, is knowingly receipt of trust properties, the claim against the 1st, 2nd and 3rd Defendants as knowingly assisting the 4th and 5th Defendants to breach their fiduciary duties to Taz Logistics whilst the claim against the 4th and 5th Defendants is for a breach of fiduciary duties towards Taz Logistics. An interim remedy is sought whereby the appointment of receiver and manager is sought over Taz Metals, save for the announcement made on 29 October 2015, 15 December 2015, 27 January 2016 and 28 January 2016, 29 August 2016, 30 November 2016 and 9 January 2017

Subsequently on 28 November 2016, the learned High Court Judge has dismissed TAZ Logistics' claim against TAZ Metals and 4 Ors. The Company had on 23 December 2016 filed an appeal to the Court of Appeal against the decision of the High Court., save for the announcement for the announcement 22 March 2017 and 10 July 2017.

On 10 August 2017, the Court of Appeal ("the Court") has fixed the matter for further case management on 14 September 2017 for the grounds of judgment to be obtained from the High Court, that the prior court orders be filed (for extension of time in the Court of Appeal and from the High Court). The Company has prepared the draft order (Court of Appeal) for approval by the First to Third and Fourth and Fifth Respondents' Solicitors.

The Company is unable at this juncture to determine the impact of this action on the financial position of the Company as the quantum that may be recovered is still unknown.

27. Dividend

No interim dividend has been declared or paid during the current quarter under review.

28. Earnings Per Share

The basic EPS for the current quarter and cumulative period to date are computed as follows:

a) Basic

Basic EPS is calculated by dividing the net loss attributable to the shareholders of the Group by the weighted average number of shares during the period.

| | Individual Quarter | | Cumulative Quarter | |
|---|-------------------------------|---|---------------------------------------|--|
| | Current Quarter 30.06.2017 | Preceding Year Corresponding Quarter 30.06.2016 | Current Year To Date 30.06.2017 | Preceding Year Corresponding To Date 30.06.2016 |
| Loss attributable to the ordinary equity holders of the parent company (RM) | (498,991) | (736,619) | (498,991) | (736,619) |
| Weighted average number of shares | 116,269,900 | 115,271,665 | 116,269,900 | 115,271,665 |
| Basic EPS (sen) | (0.43) | (0.64) | (0.43) | (0.64) |

b) Diluted

Not applicable

29. Loss Before Taxation

Loss before taxation is arrived at after charging / (crediting):

| | Quarter ended RM 30.06.2017 | Year to date RM 30.06.2017 |
|---|-----------------------------------|----------------------------------|
| Depreciation of property, plant & equipment | 450,091 | 450,091 |
| Interest expense | 13,914 | 13,914 |
| Interest income | (2,878) | (2,878) |

30. Disclosure of Realised and Unrealised Profit or Losses

| | Year to date RM 30.06.2017 | Year to date RM 30.06.2016 |
|---|----------------------------------|----------------------------------|
| Total accumulated losses of the Company and its subsidiaries: | | |
| - Realised | (16,662,458) | (15,101,553) |
| - Unrealised | (251,000) | - |
| | (16,873,458) | (15,101,553) |
| Total share of accumulated losses from the associate company: | | |
| - Realised | - | (360,000) |
| | (16,873,458) | (15,461,553) |
| Less: Consolidation adjustments | (7,643,008) | (1,496,354) |
| Total Group accumulated losses | (25,516,466) | (16,957,907) |