

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD ENDED 30 JUNE 2018
 (The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2018 RM	Preceding Year Corresponding Quarter 30.06.2017 RM	Current Year To Date 30.06.2018 RM	Preceding Year Corresponding Period 30.06.2017 RM
Revenue	3,444,826	1,424,761	3,444,826	1,424,761
Cost of sales	(2,482,424)	(949,296)	(2,482,424)	(949,296)
Gross profit	<u>962,402</u>	<u>475,465</u>	<u>962,402</u>	<u>475,465</u>
Administrative expenses	(1,076,506)	(460,582)	(1,076,506)	(460,582)
Other expenses	(514,141)	(450,091)	(514,141)	(450,091)
Operating loss	<u>(628,245)</u>	<u>(435,208)</u>	<u>(628,245)</u>	<u>(435,208)</u>
Finance income	15,774	2,878	15,774	2,878
Other operating income	-	-	-	-
Finance cost	(77,713)	(13,914)	(77,713)	(13,914)
Share of loss of associates	-	-	-	-
Loss before taxation	<u>(690,184)</u>	<u>(446,244)</u>	<u>(690,184)</u>	<u>(446,244)</u>
Taxation	-	-	-	-
Loss for the period	<u>(690,184)</u>	<u>(446,244)</u>	<u>(690,184)</u>	<u>(446,244)</u>
Non controlling interest	97,117	(52,747)	97,117	(52,747)
Loss for the period after minority interest	<u>(593,067)</u>	<u>(498,991)</u>	<u>(593,067)</u>	<u>(498,991)</u>
Other comprehensive income:				
Exchange difference on translation of foreign operation	-	-	-	-
Total comprehensive loss for the period	<u>(593,067)</u>	<u>(498,991)</u>	<u>(593,067)</u>	<u>(498,991)</u>
Loss for the period attributable to:				
Equity holders of the Company	(593,067)	(498,991)	(593,067)	(498,991)
Non-controlling interests	(97,117)	52,747	(97,117)	52,747
Loss for the period	<u>(690,184)</u>	<u>(446,244)</u>	<u>(690,184)</u>	<u>(446,244)</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	(495,950)	(551,738)	(495,950)	(551,738)
Non-controlling interests	(97,117)	52,747	(97,117)	52,747
Total comprehensive loss for the period	<u>(593,067)</u>	<u>(498,991)</u>	<u>(593,067)</u>	<u>(498,991)</u>
Basic EPS (sen)	(0.51)	(0.43)	(0.51)	(0.43)
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 2018 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018
 (The figures have not been audited)

	Unaudited As at 30.06.2018 RM	Audited As at 31.03.2018 RM
ASSETS		
Non-current assets		
Property, plant and equipment	5,627,858	6,137,314
Investment Property	2,300,000	2,300,000
Investment in joint venture	-	-
Goodwill on consolidation	6,336,368	6,336,368
	<u>14,264,226</u>	<u>14,773,682</u>
Current assets		
Inventories	3,272,772	3,527,301
Trade receivables	2,884,153	2,629,774
Other receivables, deposits and prepayments	3,146,700	1,761,848
Tax refundable	26,275	40,252
Fixed deposits with a licensed banks	632,706	695,122
Cash and bank balances	399,441	290,678
	<u>10,362,047</u>	<u>8,944,975</u>
TOTAL ASSETS	<u>24,626,273</u>	<u>23,718,657</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	31,299,574	31,299,574
Redeemable Convertible Preference Shares ("RCPS")	2,700,000	2,700,000
Warrant reserves	4,567,977	4,567,977
Foreign currency translation reserve	5,587	-
Accumulated losses	(29,480,679)	(28,887,612)
	<u>9,092,459</u>	<u>9,679,939</u>
Non-controlling interests	2,192,449	2,289,566
Total equity	<u>11,284,908</u>	<u>11,969,505</u>
Non-current liabilities		
Borrowings	1,226,995	1,032,183
Finance lease liabilities	302,161	280,634
Amount due to a director	190,000	648,999
Deferred tax liabilities	80,000	80,000
	<u>1,799,156</u>	<u>2,041,816</u>
Current liabilities		
Trade payables	3,096,462	2,474,226
Other payables and accruals	3,825,598	4,307,807
Amount owing to directors	2,364,332	120,349
Finance lease liabilities	1,266,571	1,361,357
Borrowings	764,366	237,782
Bank overdraft	110,621	1,054,235
Tax payable	114,259	151,580
	<u>11,542,209</u>	<u>9,707,336</u>
TOTAL EQUITY AND LIABILITIES	<u>24,626,273</u>	<u>23,718,657</u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	7.82	8.33

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 2018 and the accompanying notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**
(The figures have not been audited)

	Attributable to equity holders of the parent							Total Equity RM
	30.06.2018							
	Share capital RM	Share Premium RM	RCPS RM	Warrant reserves RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM
3 months period ended 30 June 2018								
Balance as at 1 April 2018	31,299,574	-	2,700,000	4,567,977	-	(28,887,612)	9,679,939	2,289,566
Other comprehensive losses - foreign currency translation	-	-	-	-	5,587	-	5,587	-
Net loss for the financial period	-	-	-	-	-	(593,067)	(593,067)	(97,117)
Total comprehensive loss for the financial period	-	-	-	-	5,587	(593,067)	(587,480)	(97,117)
Balance as at 30 June 2018	31,299,574	-	2,700,000	4,567,977	5,587	(29,480,679)	9,092,459	2,192,449
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)
Other comprehensive loss for the year - foreign currency translation	-	-	-	-	-	-	-	-
Total other comprehensive loss for the year	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(498,991)	(498,991)	52,747
Balance as at 30 June 2017	31,299,574	-	-	4,567,977	-	(24,516,466)	11,351,085	(251,169)

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 2018 and the accompanying notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR PERIOD ENDED 30 JUNE 2018
(The figures have not been audited)

	3 MONTHS 30.06.2018 RM	3 MONTHS 30.06.2017 RM
Cash flow from operating activities		
Loss before taxation	(690,184)	(446,244)
Non cash adjustment		
Depreciation of property, plant and equipment	514,141	450,091
Gain on disposal of property, plant and equipment	-	-
Written off of Property, plant and equipment	-	-
Deposit written off	-	-
Finance income	(15,774)	(2,878)
Finance costs	77,713	13,914
Operating (loss)/profit before working capital changes	<u>(114,104)</u>	<u>14,883</u>
Changes in working capital:		
Decrease in inventories	254,529	-
Decrease in receivables	(1,639,231)	(27,413)
Increase in payables	1,925,011	112,383
Cash generated from operations	<u>426,205</u>	<u>99,853</u>
Interest received	78,190	2,878
Income tax paid	(23,344)	-
Net cash generated from operating activities	<u>481,051</u>	<u>102,731</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,962)	(1,560)
Proceed on disposal of property, plant and equipment	-	-
Net cash used in investing activities	<u>(12,962)</u>	<u>(1,560)</u>
Cash flows from financing activities		
Placement of fixed deposit with licensed bank	-	(2,835)
Repayment of finance lease payables	(73,259)	(162,894)
Drawdown of borrowings	721,396	-
Interest paid	(77,713)	(13,914)
Net cash from/(used in) financing activities	<u>570,424</u>	<u>(179,643)</u>
Net increase/(decrease) in cash and cash equivalents	1,038,513	(78,472)
Cash and cash equivalents at beginning of year	(763,557)	350,915
Exchange differences	13,864	-
Cash and cash equivalents as at 30 June	<u>288,820</u>	<u>272,443</u>
Cash and cash equivalents as at 30 June comprises the following:		
Cash and bank balances	399,441	272,443
Fixed deposits with a licensed bank	632,706	135,935
Bank overdraft	(110,621)	-
	<u>921,526</u>	<u>408,378</u>
Less: Fixed deposits pledged	(632,706)	(135,835)
	<u>288,820</u>	<u>272,543</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 2018 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 2018. 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 2018.

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 2018, as well as the new/revised/amendments standard mandatory for financial periods beginning on or after 1 April 2018.

3. Auditors’ Report

The auditors’ report on the financial statements for the financial year ended 31 March 2018 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 2018.

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 2018 is tabulated below:

	Trading of Stainless Steel RM'000	Logistics Business RM'000	Stevedoring & Engineering RM'000	Investment holding RM'000	Total RM'000
Revenue					
External revenue	1,904	1,200	341	-	3,445
Inter Segment - revenue	-	-	213	-	213
Segment revenue	<u>1,904</u>	<u>1,200</u>	<u>554</u>	<u>-</u>	<u>3,658</u>
Result					
Loss before tax	<u>(121)</u>	<u>34</u>	<u>(361)</u>	<u>(242)</u>	<u>(690)</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 2018.

13. Contingent Liabilities

	Current Quarter ended 30.06.2018 RM	Financial Year ended 31.03.2018 RM
Corporate guarantee given to licensed leasing house for leasing facility granted to a subsidiary	627,030	620,640
Corporate guarantee given to a licensed bank for banking facility granted to a subsidiary	632,706	133,000
Corporate guarantee given to a third party for rental of machineries facility granted to a subsidiary	<u>498,642</u>	<u>505,033</u>
	<u>1,758,378</u>	<u>1,258,673</u>

14. Capital Commitments

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

15. Related Party Transaction

The Group has not entered into any related party transaction during the current quarter under review.

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 2018 and Year-to-date

For the quarter ended 30 June 2018, the Group generated RM3.44 million in revenue, an increase of 142% as compared to the revenue achieved in the preceding year corresponding quarter of approximately of RM1.42 million. The higher revenue in the current quarter mainly attributable to the trading of stainless steel by Renoxs' Group which has contributed approximately RM1.90 million revenue during current quarter under review.

The Group recorded a loss before taxation ("LBT") of RM690 thousand as at year-to-date compare to the LBT of RM446 thousand registered in the preceding year corresponding quarter ended 30 June 2017. The increase in current year losses was mainly resulted from the cost/expenses incurred and LBT of RM280 thousand recorded in Renoxs' Group.

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

	3 Months Current Quarter 30.06.2018 RM'000	3 Months Preceding Quarter 31.03.2018 RM'000	Changes	
			Amount RM,000	Percent age %
Revenue	3,445	870	2,575	>100
Gross Profit	962	67	895	>100
Operating loss	(628)	(1,097)	469	43
Loss before tax	(690)	(902)	212	24
Loss after tax	(690)	(902)	212	24
Loss attributable to owners of the Company	(593)	(870)	277	32

The Group revenue of RM3.44 million in current quarter representing an increase of more than 100% as compared to the revenue of approximately RM870 thousand achieved in the immediate preceding quarter ended 31 March 2018. The increase was as a result of the contribution from the trading of stainless steel in Renoxs' Group.

The significant decrease in the operating loss in current quarter 30 June 2018 due to the company made provision of impairment in trade receivables amount RM342 thousand in the immediate preceding quarter.

Logistics and stevedoring businesses' revenue were achieved RM1,541 thousand with increase significantly of RM671 thousand compare to RM870 thousand for the Immediate preceding quarter.

The Group registered a LBT of approximately RM690 thousand for the current quarter as compared to the immediate preceding quarter of a LBT of RM902 thousand which improved by 24%.

18. Prospects for the Current Financial Year

In the face of challenging economic conditions, the Group expects the business environment to remain resilient for the financial year ending 31 March 2019. 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	
	30.06.2018	30.06.2017
	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

As at the date of the report, being the latest practicable date of this Report, there were no other corporate proposals announced by the Company and pending for completion except the following:-

On 9 August 2018, on behalf of Asdion Berhad (“Asdion” or “the Company”), M&A Securities Sdn Bhd announced that the Company proposes to undertake a private placement of up to 10% of the issued shares of Asdion entail the issuance of up to 16,492,500 new Placement Shares at an issue price to be determined and announced at a later date (“Proposed Private Placement”).

For illustrative purposes, assuming the Placement Shares are issued at an indicative issue price of RM0.230 per Placement Share (“Indicative Issue Price”), the Indicative Issue Price represents a discount of approximately 4.64% to the volume weighted average market price of ASDION Shares for the 5 market days up to 8 August 2018 of RM0.2412. The Proposed Private Placement is expected to raise gross proceeds of up to approximately RM3.79 million.

The proceeds raised are expected to be utilised in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from listing date)
Working capital purposes	2,554	3,658	(i)
Estimated expenses for the Proposed Private Placement	120	135	(ii)
Total estimated proceeds	<u>2,674</u>	<u>3,793</u>	Within 1 month

Notes:-

- (i) The proceeds are to be utilised as working capital, primarily to pay the ASDION and its subsidiaries’ (“Group”) overdue finance lease liabilities and trade creditors. As at 30 June 2018, the Group’s finance lease liabilities and trade creditors stood at RM1.22 million and RM3.81 million, respectively. Further details are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from listing date)
Payment to trade creditors	2,433	2,442	Within 6 months
Payment of overdue finance lease payables	121	1,216	Within 2 months
	<u>2,554</u>	<u>3,658</u>	

- (ii) This includes payment of fees to the relevant authorities, advisory and placement fees. If the actual expenses are higher than the amount budgeted, the deficit will be funded out of working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital.

24. Borrowings

Details of the Group's borrowings at 30 June 2018 are as follows:

	Current 30.06.2018	Non-Current 30.06.2018	Total 30.06.2018
Secured			
- Term loans	764,366	1,226,995	1,991,361
- Finance lease payable	1,266,571	302,161	1,568,732
Total	2,030,937	1,529,156	3,560,093

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

There is no material litigation as at the date of the report except the following:-

- (a) 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, 22 February 2017, 10 July 2017, 11 August 2017, 25 October 2017, 1 November 2017, 27 November 2017 and 16 January 2018.

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.

The Court of Appeal has fixed the matter for Hearing on 29 March 2018, with Written Submissions, Bundle of Authorities, Common Core Bundle and Common Chronology to be filed by 15 March 2018.

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.

26. Material Litigation (Continued)

- (b) On 3 October 2017, Venice Sanctuary Sdn Bhd (“VSSB”), a wholly owned subsidiary of the Company has filed a writ of summon against Metro Hartamas Sdn Bhd, a debtor (“the Defendant”) due to the fact the Defendant failing to settle the outstanding sum amounting to approximately RM335,970.81.

On 3 March 2018, we have received the Revised Notice of Demand to Metro Hartamas and ordered to pay the outstanding amounted RM395,267.00.

The court has further directed that the Defendant to file in Statement of Defence and reply on or before 22 May 2018. And the Court also requested the parties to update on Case Management Date whether there is any chance of settlement.

On 2 July 2018, we have submitted Affidavit in reply for the Summary Judgment case for Venice Sanctuary against Metro Hartamas. We have obtained Summary Judgement against Metro Hartamas on 18 July 2018 for a sum of RM335,970.81 for the services rendered to the Defendants.

On 31 July 2018, the Defendants has filed a Notice of Appeal.

- (c) CD Logistics Sdn Bhd (“Plaintiff”) had bought an actions against Asdion Logistics Sdn Bhd for services rendered to Asdion.

Sessions Court case between CD Logistics and Asdion Logistics and the Magistrate Court case between Ciriduta Logistics Sdn Bhd and Asdion Logistics, the Plaintiffs has filed Summary Judgment applications against us.

On 31 July 2018, both parties have reached a settlement whereby Asdion shall pay the outstanding debt in amount of RM327,724.84 to the Plaintiff in 6 installments by way of post-dated cheques.

The impact of this action will not have any additional financial and operational impact to the Group.

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 30.06.2018	Preceding Year Corresponding Quarter 30.06.2017	Current Year To Date 30.06.2018	Preceding Year Corresponding To Date 30.06.2017
Loss attributable to the ordinary equity holders of the parent company (RM)	(593,067)	(498,991)	(593,067)	(498,991)
Weighted average number of shares	116,269,900	116,269,900	116,269,900	116,269,900
Basic EPS (sen)	(0.51)	(0.43)	(0.51)	(0.43)

b) Diluted

Not applicable

29. Loss Before Taxation

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

	Quarter ended RM 30.06.2018	Year to date RM 30.06.2018
Depreciation of property, plant & equipment	514,141	450,091
Interest expense	77,713	77,713
Interest income	(15,774)	(15,774)

30. Disclosure of Realised and Unrealised Profit or Losses

	Year to date RM 30.06.2018	Year to date RM 30.06.2017
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(24,686,175)	(16,662,458)
- Unrealised	(80,000)	(251,000)
	(24,766,175)	(16,873,458)
Total share of accumulated losses from the associate company:		
- Realised	-	-
	(24,766,175)	(16,873,458)
Less: Consolidation adjustments	(4,714,504)	(7,643,008)
Total Group accumulated losses	(29,480,679)	(25,516,466)