

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

SUMMARY OF KEY FINANCIAL INFORMATION

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 Dec 2018	Quarter Ended 31 Dec 2017	Year Ended 31 Dec 2018 (unaudited)	Year Ended 31 Dec 2017 (audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>105,763</u>	<u>51,705</u>	<u>255,792</u>	<u>134,567</u>
Profit before tax	1,749	955	4,380	2,944
Income tax expense	1,176	(165)	865	(245)
Profit after taxation	<u>2,925</u>	<u>790</u>	<u>5,245</u>	<u>2,699</u>
Profit attributable to :				
Owners of the Company	1,728	724	4,059	2,527
Non-controlling interest	1,197	66	1,186	172
Profit after taxation	<u>2,925</u>	<u>790</u>	<u>5,245</u>	<u>2,699</u>
Basic earnings per share (sen)	0.28	0.20	0.94	1.04
Diluted earnings per share (sen)	0.24	N/A	0.77	N/A
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 Dec 2018	Quarter Ended 31 Dec 2017	Year Ended 31 Dec 2018 (unaudited)	Year Ended 31 Dec 2017 (audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	105,763	51,705	255,792	134,567
Operating expenses	(102,755)	(50,657)	(250,128)	(131,518)
Interest income	13	19	33	42
Other operating income	379	(20)	821	-
Depreciation	(537)	(92)	(1,022)	(147)
Finance cost	(1,114)	-	(1,116)	-
Profit before tax	1,749	955	4,380	2,944
Income tax expense	1,176	(165)	865	(245)
Profit after taxation	2,925	790	5,245	2,699
Other comprehensive income, net of tax	95	(300)	189	(300)
Total comprehensive income for the period / year	3,020	490	5,434	2,399
Profit attributable to :				
Owners of the Company	1,728	724	4,059	2,527
Non-controlling interest	1,197	66	1,186	172
Profit after taxation	2,925	790	5,245	2,699
Total comprehensive income attributable to :				
Owners of the Company	1,823	424	4,248	2,227
Non-controlling interest	1,197	66	1,186	172
Total comprehensive income for the period / year	3,020	490	5,434	2,399
Basic earnings per share (sen)	0.28	0.20	0.94	1.04
Diluted earnings per share (sen)	0.24	N/A	0.77	N/A

Notes :

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	Unaudited As At 31 December 2018 RM'000	Audited As At 31 December 2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	51,194	6,102
Goodwill on consolidation	31,489	-
Total Non-Current Assets	82,683	6,102
Current Assets		
Inventories	6,236	1,072
Trade receivables	41,568	33,180
Other receivables, deposits & prepaid expenses	4,788	436
Tax recoverable	3	149
Amount owing from associate	5	5
Fixed deposit	637	-
Cash & bank balances	5,876	2,790
Total Current Assets	59,113	37,632
TOTAL ASSETS	141,796	43,734
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	86,287	41,109
Other reserve	(20,806)	(21,154)
Warrant reserve	20,806	21,154
Forex reserve	(111)	(300)
Accumulated losses	(473)	(4,532)
Equity Attributable to Owners of the Company	85,703	36,277
Non-controlling interests	5,051	379
Total Equity	90,754	36,656
Non-Current Liabilities		
Hire purchase payable	477	-
Deferred tax liabilities	2	2
Total Non-Current Liabilities	479	2
Current Liabilities		
Trade payables	14,032	6,478
Other payables and accruals	7,260	458
Hire purchase payables	145	-
Bank Borrowing	28,793	-
Tax liabilities	333	140
Total Current Liabilities	50,563	7,076
Total Liabilities	51,042	7,078
TOTAL EQUITY AND LIABILITIES	141,796	43,734
Net asset per share attributable to Owners of the Company (sen)	15.33	9.86

Note :

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	<----- Attributable to Owners of the Company ----->			<----- Non-Distributable ----->						Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Other Reserve*2 RM'000	Subtotal RM'000	Share Premium RM'000	Warrant Reserve RM'000	Forex Reserve RM'000	Accumulated Losses RM'000	Total RM'000			
Year ended 31 December 2018											
At 1 January 2018	41,109	(21,154)	19,955	-	21,154	(300)	(4,532)	36,277	379	36,656	
Profit for the year	-	-	-	-	-	-	4,059	4,059	1,186	5,245	
Translation reserve	-	-	-	-	-	189	-	189	-	189	
Conversion of warrant	348	348	696	-	(348)	-	-	348	-	348	
Private placement	16,880	-	16,880	-	-	-	-	16,880	-	16,880	
New share issue	27,950	-	27,950	-	-	-	-	27,950	-	27,950	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	3,486	3,486	
At 31 December 2018	86,287*1	(20,806)	65,481	-	20,806	(111)	(473)	85,703	5,051	90,754	
Year ended 31 December 2017											
At 1 January 2017	16,395	-	16,395	10,425	-	-	(15,587)	11,233	207	11,440	
Profit for the year	-	-	-	-	-	(300)	2,527	2,227	172	2,399	
Capital reduction	(8,528)	-	(8,528)	-	-	-	8,528	-	-	-	
Combination of share premium into share capital	10,425	-	10,425	(10,425)	-	-	-	-	-	-	
Corporate exercise expenses set-off against share premium account	(1,537)	-	(1,537)	-	-	-	-	(1,537)	-	(1,537)	
New share issue	3,200	-	3,200	-	-	-	-	3,200	-	3,200	
Right issue	21,154	(21,154)	-	-	21,154	-	-	21,154	-	21,154	
At 31 December 2017	41,109	(21,154)	19,955	-	21,154	(300)	(4,532)	36,277	379	36,656	

Notes :

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

- *1 The total issued share capital comprises the share capital of RM86.29 million and the amount standing to the credit of our Company's share premium account amounting to RM1.90 million in accordance with Section 618(2) of the Companies Act 2016, of which Corporate Exercise expenses amounting to RM1.54 million has been set-off against the share premium account.
- *2 Other Reserve represent the discount on issuance of shares and the value of which is represented by the fair value of the warrant. The other reserve, in substance, form part of the issued and paid up share capital and is presented separately for better understanding.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)
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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	Year Ended 31 Dec 2018 (unaudited) RM'000	Year Ended 31 Dec 2017 (audited) RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,380	2,944
Adjustments for :		
Bad debt written off	106	-
Depreciation of property, plant and equipment	1,022	147
Gain on disposal of property, plant and equipment	(9)	-
Impairment gain on receivables	(616)	-
Property, plant and equipment written off	123	15
Interest income	(33)	(42)
Finance cost	1,116	-
Unrealised forex (gain) / loss	(294)	94
Operating profit before working capital changes	<u>5,795</u>	<u>3,158</u>
Net change in current assets	(8,046)	(24,395)
Net change in current liabilities	(5,035)	6,340
Cash used in operations	<u>(7,286)</u>	<u>(14,897)</u>
Tax paid	(728)	(282)
Tax refund	116	-
Net cash used in operating activities	<u>(7,898)</u>	<u>(15,179)</u>
Cash Flows From Investing Activities		
Net outflow arising from acquisition of subsidiary	(4,254)	-
Interest income received	33	42
Proceed from disposal of property, plant and equipment	9	-
Purchase of property, plant and equipment	(1,739)	(2,811)
Net cash used in investing activities	<u>(5,951)</u>	<u>(2,769)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	17,227	19,617
Proceeds from hire purchase and bank borrowings	1,503	-
Repayment of hire purchase and bank borrowings	(43)	-
Advance to associated company	1	1
Finance cost	(1,116)	-
Net cash from financing activities	<u>17,572</u>	<u>19,618</u>
Net increase in cash and cash equivalents :	3,723	1,670
Cash and cash equivalents at beginning of year	2,790	1,159
Effect of exchange rate changes on cash and cash equivalents held	-	(39)
Cash and equivalents at end of year	<u>6,513</u>	<u>2,790</u>
Cash and cash equivalents at end of year comprise :		
Fixed deposit	637	-
Cash and bank balances	5,876	2,790
	<u>6,513</u>	<u>2,790</u>

Note :

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

STRAITS INTER LOGISTICS BERHAD

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1 Basis of preparation

The interim financial report has been prepared in accordance with MFRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2017.

A2 Significant accounting policies

The financial statements of the Group has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

The financial information presented herein have been prepared in accordance with the accounting policies used in preparing the audited financial statements for the financial year ended 31 December 2017, and for the following standards and interpretation which became effective on 1 January 2018:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs/IC Interpretation

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarifications to MFRS 15: Revenue from Contracts with Customers
Amendments to MFRS 140	Transfer of Investment Property
Annual improvements to MFRSs 2014 – 2016 Cycle	
IC Interpretation 22	Foreign Currency Transactions and Advances Consideration

New MFRS, Amendments/Improvements to MFRSs and New IC Int issued but not yet effective and have not been early adopted

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty Over Income Tax Treatment
Annual improvements to MFRSs 2015 – 2017 Cycle	

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-based payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 132	Intangible Assets-Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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Effective date to be announced

Amendments to MFRS 10 & and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Joint Arrangements

The adoption of the above standards and amendments are not expected to have any material impact on the financial statements of the Group

A3 Auditors report of preceding annual financial statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4 Seasonality or cyclical

The Group's interim operations are not affected by the monsoon season and festive period except in the first quarter.

A5 Unusual items

During the current quarter under review, there were no items or events that arose, which will affect assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6 Material changes in estimates

There were no major changes in the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have had a material effect on the result in the quarter under review.

A7 Debt and equity securities

There is an issuance and allotment of 3,024,500 new ordinary shares of Straits arising from the conversion of 3,024,500 Straits warrants at the exercise price of RM0.115 for every one new ordinary shares of Straits.

Other than this, there were no major issuances, cancellations, repurchase, resale and repayment of debt and equity securities for the quarter under review.

A8 Dividends

No dividend has been declared or paid during the period under review.

A9 Segment information

BUSINESS SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 Dec 2018 RM'000	Quarter Ended 31 Dec 2017 RM'000	Year Ended 31 Dec 2018 RM'000	Year Ended 31 Dec 2017 RM'000
<u>Segment Revenue</u>				
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	-	190	-	190
Oil Trading & Bunkering Services	105,763	51,515	255,792	134,377
	<u>105,763</u>	<u>51,705</u>	<u>255,792</u>	<u>134,567</u>
<u>Segment Profit Before Tax</u>				
Investment Holding	(1,873)	(614)	(4,378)	(1,383)
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	-	(25)	-	(25)
Oil Trading & Bunkering Services	3,630	1,624	8,795	4,382
Others	(8)	(30)	(37)	(30)
	<u>1,749</u>	<u>955</u>	<u>4,380</u>	<u>2,944</u>

A10 Valuation of property, plant & equipment

There has been no revaluation of property, plant & equipment during the current financial year.

A11 Subsequent material events

There were no other material events subsequent to the end of the quarter under review which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

On 28 September 2018, the Group had completed the acquisition of 55.0% equity interest in Tumpuan Megah Development Sdn Bhd ("Tumpuan Megah"). The Group had also incorporated two wholly-owned subsidiaries, namely Straits Alliance Transport Sdn Bhd ("SAT") and Straits Marine Fuels and Energy Sdn Bhd ("SMF") on 30 August 2018 and 29 November 2018 respectively.

The Group had on 24 December 2018 disposed off 28,000 units of ordinary shares representing 70.0% equity interest in Youbicom Malaysia Sdn Bhd for a total cash consideration of RM 2.00.

On 18 February 2019, the Group had incorporated two indirect wholly-owned subsidiaries in Labuan, namely SMF Begonia Ltd and SMF Ixora Ltd.

On 20 February 2019, the Group had agreed to divest its 30.0% equity interest in SAT to Mr James Chai Yiing Jen via subscription of new shares in SAT.

Other than these, there has been no material change in the composition of the Group during the financial year under review.

A13 Contingencies

There were no contingent liabilities or contingent assets arising since 31 December 2017.

A14 Significant related party transactions

There were no significant related party transactions during the financial year under review.

A15 Profit before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 Dec 2018 RM'000	Quarter Ended 31 Dec 2017 RM'000	Year Ended 31 Dec 2018 RM'000	Year Ended 31 Dec 2017 RM'000
Profit before tax is arrived at after charging / (crediting) the following items :				
(a) Interest income	(13)	(19)	(33)	(42)
(b) Finance cost	1,114	-	1,116	-
(c) Depreciation & amortisation	537	92	1,022	147
(d) Foreign exchange loss / (gain) - unrealised	189	-	199	94
- realised	320	195	889	312

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

B ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING

B1 Review of performance

The Group's revenue for the fourth quarter of 2018 increased by RM54.05 million to RM105.76 million as compared to RM51.71 million achieved in the fourth quarter of 2017.

The Group achieved a profit before tax of RM1.75 million in the fourth quarter of 2018 as compared to RM0.96 million in fourth quarter of 2017. The 82.3% jump in profit before tax for the fourth quarter of 2018 as compared to the fourth quarter of 2017 was attributable to both the revenue and profit margin improvement which increased by 104.6% and 36.4% respectively.

B2 Variation of results against preceding quarter

	Current Quarter 31 Dec 2018 RM'000	Preceding Quarter 30 Sept 2018 RM'000	Changes	
			RM'000	%
Revenue	105,763	69,390	36,373	52.4
Profit before tax	1,749	1,281	468	36.5
Profit after tax	2,925	1,043	1,882	180.4
Profit Attributable to Owners of the Company	1,728	1,014	714	70.4

For the fourth quarter of 2018, the revenue increased substantially by RM36.37 million or 52.4% to RM105.76 million, from RM69.39 million achieved in the preceding quarter. The substantial jump in revenue is mainly due to the consolidation of the results of Tumpuan Megah. The profit before tax for the fourth quarter of 2018 rose by 36.5% to RM1.75 million as compared to RM1.28 million in the preceding quarter.

B3 Group's Prospects

The Group completed the acquisition of 55.0% equity interest in Tumpuan Megah on 28 September 2018. With this acquisition, the Group now has 9 vessels with total capacity of 12.0 million litres to further expand its business and its geographical coverage.

The acquisition of Tumpuan Megah comes with an aggregate profit after tax guarantee of RM10.00 million for the financial year ended ("FYE") 31 December 2019 and FYE 31 December 2020.

Another acquisition of 38.0% equity interest in Banle Energy International Limited ("Banle") was completed on 22 February 2019.

With the acquisition of Banle, the Group would be able to tap on Banle's infrastructure to expand its business to the Hong Kong and China market.

The proposed acquisition of Banle comes with an aggregate profit after tax guarantee of USD1.65 million for the FYE 31 December 2019 and FYE 31 December 2020.

As the management of Straits exerts its efforts to expand the operation of its core business, which is in oil trading and oil bunkering services, the management of Straits is also exploring new business opportunities in land transportation and logistics business, with the objective of creating diversity in its product offerings within the

logistics services as well as due to the demand arising among the existing customers of Straits Group to provide land transportation and logistics services.

The venture into land transportation and logistics services is purely a horizontal expansion of its existing business activities within the transportation and logistics sector, which serves to provide value added transportation and logistics services to the existing and potential customers.

Consistent with the objective above, the Group had on 30 August 2018, incorporated a wholly-owned subsidiary company, namely Straits Alliance Transport Sdn Bhd to carry out inland transportation and logistics business, which is in the onshore logistics services to provide transportation services by land, mainly through trucks and/ or lorries.

With the completion of the acquisition of 55.0% equity interest in Tumpuan Megah and 38.0% equity interest in Banle and is foray into the land transportation and logistics business, the Group's outlook for 2019 is positive.

B4 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 Dec 2018	Quarter Ended 31 Dec 2017	Year Ended 31 Dec 2018 (unaudited)	Year Ended 31 Dec 2017 (audited)
	RM'000	RM'000	RM'000	RM'000
Current taxation	460	179	771	252
Deferred taxation	(1,514)	(5)	(1,514)	(5)
	<u>(1,054)</u>	<u>174</u>	<u>(743)</u>	<u>247</u>
Overprovision in prior period / year	(122)	(9)	(122)	(2)
	<u>(1,176)</u>	<u>165</u>	<u>(865)</u>	<u>245</u>

The effective tax rate of the Group for the current quarter and twelve months ended 31 December 2018 was lower than the statutory tax rate mainly due to certain income being non-taxable, the availability of unutilised tax losses and allowances to set off against the taxable profit in certain subsidiaries, the overprovision of taxation in prior years and the reversal of deferred taxation.

B6 Unquoted investments and properties

On 28 September 2018, the Group had completed the acquisition of 55.0% equity interest in Tumpuan Megah. Besides, the Group had incorporated two wholly-owned subsidiaries, namely Straits Alliance Transport Sdn Bhd ("SAT") and Straits Marine Fuels and Energy Sdn Bhd ("SMF") on 30 August 2018 and 29 November 2018 respectively.

On 18 February 2019, the Group also had incorporated two indirect wholly-owned subsidiaries in Labuan, namely SMF Begonia Ltd and SMF Ixora Ltd.

On 20 February 2019, the Group had agreed to divest 30.0% equity interest in SAT to Mr James Chai Jiing Jen via subscription of new shares in SAT.

Other than these, there was no acquisitions or disposals of unquoted investments or properties during the financial year under review.

B7 Quoted and marketable securities

The Group does not hold any quoted or marketable securities as at 31 December 2018. There were no purchases or disposals of quoted securities for the current financial year.

B8 Corporate Exercise

- 1) On 15 December 2017, the Group had submitted to Bursa Malaysia Securities Berhad an application for a Private Placement of up to 55,185,638 new ordinary shares of Straits, representing up to 10.0% of the issued shares of Straits (assuming all outstanding warrants are exercised), to raise funds to finance its working capital as it expands its bunkering and trading of oil business. Bursa Malaysia Securities Berhad had on 19 January 2018 resolved to approve the listing and quotation of these new shares.

28,500,000 and 6,500,000 new Straits Shares which has been respectively issued pursuant to the Private Placement, were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 6 July 2018 and 13 July 2018 respectively.

This Private Placement was completed on 18 July 2018.

- 2) On 28 September 2018, the Group had completed the acquisition of Tumpuan Megah, representing 55.0% equity interest in Tumpuan Megah for a purchase consideration of RM35,750,000 which was satisfied via a combination of cash payment of RM7,800,000 and the remaining purchase consideration of RM27,950,000 which has been satisfied via new issuance and allotment of 116,458,333 ordinary shares of Straits at the issue price of RM0.24 per share.
- 3) On 28 January 2019, the Group had obtained shareholders' approval at the EGM to venture into land transportation and logistics services through its newly incorporated wholly owned subsidiary company, namely Straits Alliance Transport Sdn Bhd.
- 4) On 22 February 2019, the Group had completed the acquisition of 38.0% equity interest in Banle Energy International Limited for a total consideration of RM14,997,840 which was satisfied via new issuance and allotment of 63,820,595 ordinary shares of Straits at the issue price of RM0.235 per share.

B9 Status of utilisation of proceeds raised from the Rights Issue completed on 16 August 2017

The proceeds from the Rights Issue has been fully utilised by the fourth quarter of 2018 :-

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Acquisition of Straits 1	2,800	2,800	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	1,800	1,800	-	-	-	-
3	Working capital						
3.1	Purchase of MGO	15,070	15,070	-	-	-	-
3.2	Oil bunkering activity related expenses	150	150	-	-	-	-
3.3	General operations expenses	288	288	-	-	-	-
3.4	Repair & maintenance cost	1,000	1,000	-	-	-	-
3.5	Rental of office premise	46	46	-	-	-	-
	TOTAL	21,154	21,154		-	-	

Status of utilisation of proceeds raised from the Private Placement completed on 18 July 2018

The proceeds from the Private Placement has been fully utilised in the fourth quarter of 2018 :-

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Working capital						
1.1	Purchase of raw material	7,080	7,080	-	-	-	-
1.2	Working capital (including chartering expenses)	912	912	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	58	58	-	-	-	-
	TOTAL	8,050	8,050		-	-	

Status of utilisation of proceeds raised from the Private Placement to Capt Tony Tan (in conjunction with the acquisition of Tumpuan Megah Development Sdn Bhd) completed on 25 September 2018

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Cash consideration for the proposed acquisition of Tumpuan Megah	7,800	7,800	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	1,030	650	Within 12 months	380	36.9%	Proposed utilisation not completed. Currently within utilisation intended timeframe
	TOTAL	8,830	8,450		380	4.3%	

B10 Group borrowings and debt securities

	31 Dec 2018 RM'000	31 Dec 2017 RM'000
NON-CURRENT		
Secured		
Finance lease liabilities	477	-
	<u>477</u>	<u>-</u>
CURRENT		
Secured		
Finance lease liabilities	145	-
Banker acceptances	28,793	-
	<u>28,938</u>	<u>-</u>
	<u>29,415</u>	<u>-</u>

The finance lease liabilities of the Group bear interest at rates of 2.36% to 2.87% per annum.

The borrowings of the Group bear interest at rates of 8.10% per annum.

B11 Material litigation

As at the date of this report, the Group has no material litigation which will materially and adversely affect the position or business of the Group.

B12 Dividends

The Directors do not recommend the payment of any dividend in respect of the current financial year.

B13 Earnings per share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 31 Dec 2018	Quarter Ended 31 Dec 2017	Year Ended 31 Dec 2018	Year Ended 31 Dec 2017
Profit for the period / year (RM'000)	1,728	724	4,059	2,527
Basic Earnings Per Share				
Weighted Average Number of Ordinary Shares in Issue ('000)	616,750	367,904	430,628	244,186
Basic Earnings Per Share (sen)	<u>0.28</u>	<u>0.20</u>	<u>0.94</u>	<u>1.04</u>

Basic earnings per share is calculated by dividing the net profit for the period under review by the weighted average number of shares in issue during the period.

Diluted Earnings Per Share

Weighted Average Number of Ordinary Shares in Issue ('000)	709,762	N/A	528,328	N/A
Diluted Earnings Per Share (sen)	<u>0.24</u>	<u>N/A</u>	<u>0.77</u>	<u>N/A</u>

Diluted earnings per share is calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period after taking into consideration of all dilutive potential ordinary shares.

By Order of the Board

Dato' Sri Ho Kam Choy
Group Managing Director
Kuala Lumpur
Date : 27 February 2019