



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | Individual quarter    |                     | % changes | Cumulative quarters    |                     | % changes |
|---|-----------------------|---------------------|-----------|------------------------|---------------------|-----------|
|   | 3 months ended        |                     |           | 9 months ended         |                     |           |
|   | 30.09.17              | 30.09.16            |           | 30.09.17               | 30.09.16            |           |
|   | RM'000                | RM'000              |           | RM'000                 | RM'000              |           |
| Revenue                                       | 4,698                 | 4,001               | 17.4%     | 11,791                 | 16,577              | -28.9%    |
| Operating costs                               | (6,350)               | (4,046)             |           | (17,224)               | (24,058)            |           |
| Other income                                  | 2,512                 | 14,210              |           | 6,157                  | 18,045              |           |
| <b>Profit from operations</b>                 | <b>860</b>            | <b>14,165</b>       | 93.9%     | <b>724</b>             | <b>10,564</b>       | 93.1%     |
| Finance costs                                 | (986)                 | (910)               |           | (2,858)                | (2,335)             |           |
| Share of results of                           |                       |                     |           |                        |                     |           |
| Associates                                    | (1,048)               | (2,166)             |           | (1,466)                | (3,347)             |           |
| Jointly controlled entity                     | (3,771)               | (1,287)             |           | (12,281)               | (2,555)             |           |
| <b>(Loss)/Profit before tax</b>               | <b>(4,945)</b>        | <b>9,802</b>        | 150.4%    | <b>(15,881)</b>        | <b>2,327</b>        | 782.5%    |
| Tax expense                                   | (193)                 | (72)                |           | (323)                  | (33)                |           |
| <b>(Loss)/Profit for the financial period</b> | <b><u>(5,138)</u></b> | <b><u>9,730</u></b> | 152.8%    | <b><u>(16,204)</u></b> | <b><u>2,294</u></b> | 806.4%    |
| <b>Attributable to:</b>                       |                       |                     |           |                        |                     |           |
| Owners of the parent                          | (5,628)               | 6,092               |           | (17,434)               | (258)               |           |
| Non-controlling interests                     | 490                   | 3,638               |           | 1,230                  | 2,552               |           |
| <b>(Loss)/Profit for the financial period</b> | <b><u>(5,138)</u></b> | <b><u>9,730</u></b> |           | <b><u>(16,204)</u></b> | <b><u>2,294</u></b> |           |

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 2016.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | <b>Individual quarter</b> |                       | <b>Cumulative quarters</b> |                        |
|--|---------------------------|-----------------------|----------------------------|------------------------|
|  | <b>3 months ended</b>     |                       | <b>9 months ended</b>      |                        |
|  | <b>30.09.17</b>           | <b>30.09.16</b>       | <b>30.09.17</b>            | <b>30.09.16</b>        |
|  | RM'000                    | RM'000                | RM'000                     | RM'000                 |
| <b>(Loss)/Profit for the financial period</b>  | <b>(5,138)</b>            | <b>9,730</b>          | <b>(16,204)</b>            | <b>2,294</b>           |
| <b>Other comprehensive (loss)/income, net of tax</b>   |                           |                       |                            |                        |
| <i>Items that may be reclassified subsequently to profit or loss</i>                                     |                           |                       |                            |                        |
| Foreign currency translation differences   | (3,228)                   | 6,019                 | (12,341)                   | (14,485)               |
| Fair value adjustment of available-for-sale financial assets   | -                         | -                     | (12)                       | (39)                   |
| Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries | -                         | (18,142)              | -                          | (18,142)               |
| <b>Total other comprehensive loss for the financial period, net of tax</b>                               | <b>(3,228)</b>            | <b>(12,123)</b>       | <b>(12,353)</b>            | <b>(32,666)</b>        |
| <b>Total comprehensive loss for the financial period</b>   | <b><u>(8,366)</u></b>     | <b><u>(2,393)</u></b> | <b><u>(28,557)</u></b>     | <b><u>(30,372)</u></b> |
| <b>Total comprehensive (loss)/income attributable to:</b>  |                           |                       |                            |                        |
| Owners of the parent   | (8,951)                   | (6,955)               | (28,714)                   | (29,108)               |
| Non-controlling interests  | 585                       | 4,562                 | 157                        | (1,264)                |
| <b>Total comprehensive loss for the financial period</b>   | <b><u>(8,366)</u></b>     | <b><u>(2,393)</u></b> | <b><u>(28,557)</u></b>     | <b><u>(30,372)</u></b> |
| <b>Basic (loss)/profit per share attributable to owners of the Company (sen)</b>                         | <b><u>(3.0)</u></b>       | <b><u>3.5</u></b>     | <b><u>(9.5)</u></b>        | <b><u>(0.2)</u></b>    |

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 2016.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | As at 30.09.17<br>RM'000 | As at 31.12.16<br>RM'000 |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>   |                          |                          |
| <b>Non-current assets</b>                                 |                          |                          |
| Property, plant and equipment                             | 179,889                  | 184,021                  |
| Land use rights   | 16,473                   | 17,050                   |
| Prepaid land lease payments                               | -                        | 2,801                    |
| Capital work-in-progress                                  | 55,573                   | 2,773                    |
| Intangible assets   | 2,725                    | 2,725                    |
| Interest in associates                                    | 35,369                   | 38,656                   |
| Interest in a jointly controlled entity                   | 6,688                    | 20,154                   |
| Other investments   | 474                      | 495                      |
| Amount owing by a jointly controlled entity               | 63,223                   | 67,172                   |
|   | <b>360,414</b>           | <b>335,847</b>           |
| <b>Current assets</b>                                     |                          |                          |
| Trade receivables   | 87                       | 58                       |
| Other receivables, deposits and prepayments               | 25,623                   | 18,334                   |
| Amount owing by a jointly controlled entity               | 40,807                   | 34,196                   |
| Tax assets  | 471                      | 536                      |
| Short-term fund   | 15,342                   | 17,444                   |
| Cash & cash equivalents                                   | 43,530                   | 52,252                   |
|   | <b>125,860</b>           | <b>122,820</b>           |
| <b>TOTAL ASSETS</b>                                       | <b>486,274</b>           | <b>458,667</b>           |
| <b>EQUITY AND LIABILITIES</b>                             |                          |                          |
| <b>Equity</b>   |                          |                          |
| Share capital   | 225,671                  | 178,026                  |
| Reserves  | 66,426                   | 129,192                  |
| Treasury shares   | (4,384)                  | (4,384)                  |
| <b>Total equity attributable to owners of the Company</b> | <b>287,713</b>           | <b>302,834</b>           |
| <b>Non-controlling interests</b>                          | <b>51,781</b>            | <b>51,624</b>            |
| <b>Total equity</b>                                       | <b>339,494</b>           | <b>354,458</b>           |
| <b>Non-current liabilities</b>                            |                          |                          |
| Long term borrowings                                      | 115,906                  | 67,822                   |
| Deferred tax liabilities                                  | 1,909                    | 1,996                    |
|   | <b>117,815</b>           | <b>69,818</b>            |
| <b>Current liabilities</b>                                |                          |                          |
| Trade payables  | 325                      | 40                       |
| Other payables, deposits and accruals                     | 10,112                   | 17,023                   |
| Short term borrowings                                     | 18,194                   | 17,069                   |
| Tax payables  | 334                      | 259                      |
|   | <b>28,965</b>            | <b>34,391</b>            |
| <b>Total Liabilities</b>                                  | <b>146,780</b>           | <b>104,209</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       | <b>486,274</b>           | <b>458,667</b>           |

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 2016.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | <b>9 months ended</b>  |                        |
|--|------------------------|------------------------|
|  | <b>30.09.17</b>        | <b>30.09.16</b>        |
|  | RM'000                 | RM'000                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                  |                        |                        |
| (Loss)/Profit before tax   | (15,881)               | 2,327                  |
| Adjustments for :-   |                        |                        |
| Amortisation of land use rights  | 297                    | 303                    |
| Amortisation of prepaid land lease payments                                  | 24                     | -                      |
| Bad debts written off  | -                      | 2                      |
| Depreciation of property, plant and equipment                                | 2,813                  | 1,476                  |
| Gain on disposal of investment in subsidiary                                 | (10)                   | (12,872)               |
| Income distribution from short term fund                                     | (227)                  | (1,342)                |
| Interest expense   | 2,858                  | 2,335                  |
| Interest income  | (2,177)                | (2,504)                |
| Loss on disposal of property, plant and equipment                            | 6                      | -                      |
| (Gain)/Loss on unrealised foreign exchange                                   | (2,436)                | 6                      |
| Share of results of associates   | 1,466                  | 3,347                  |
| Share of results of a jointly controlled entity                              | 12,281                 | 2,555                  |
| Operating loss before working capital changes                                | <u>(986)</u>           | <u>(4,367)</u>         |
| Changes in working capital :-  |                        |                        |
| Receivables  | (5,386)                | (6,873)                |
| Payables   | (4,243)                | (5,192)                |
| Net cash flows used in operations  | <u>(10,615)</u>        | <u>(16,432)</u>        |
| Interest paid  | (2,791)                | (3,519)                |
| Tax paid   | (234)                  | (642)                  |
| Tax refunded   | 61                     | -                      |
| <b>Net cash flows used in operating activities</b>                           | <b><u>(13,579)</u></b> | <b><u>(20,593)</u></b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |                        |                        |
| Advances to a jointly controlled entity                                      | (8,954)                | (7,824)                |
| Capital work-in-progress incurred  | (52,859)               | (21,721)               |
| Dividend received  | -                      | 5,000                  |
| Effect of disposal of subsidiary, net of cash disposed                       | 2,833                  | (276)                  |
| Interest received  | 471                    | 1,940                  |
| Placement of fixed deposits  | (18)                   | (902)                  |
| Purchase of property, plant and equipment                                    | (1,152)                | (32,600)               |
| Proceeds from allotment of shares by subsidiary to non-controlling interests | -                      | 400                    |
| Redemption of short term fund  | 2,102                  | 9,119                  |
| <b>Net cash flows used in investing activities</b>                           | <b><u>(57,577)</u></b> | <b><u>(46,864)</u></b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |                        |                        |
| Dividend paid  | -                      | (4,318)                |
| Drawdown of term loan  | 34,082                 | 23,379                 |
| Drawdown of unsecured loan from a corporate shareholder                      | 27,975                 | 42,672                 |
| Interest paid  | -                      | (148)                  |
| Share issuance from private placement  | 13,549                 | -                      |
| Repayments of term loan  | (7,615)                | (124)                  |
| Repayments of unsecured loan from a corporate shareholder                    | -                      | (61,875)               |
| <b>Net cash flows from/(used in) financing activities</b>                    | <b><u>67,991</u></b>   | <b><u>(414)</u></b>    |
| <b>Net decrease in cash and cash equivalents</b>                             | <b><u>(3,165)</u></b>  | <b><u>(67,871)</u></b> |
| Effects of exchange rate changes on cash and cash equivalents                | (5,575)                | (1,660)                |
| Cash and cash equivalents at the beginning of the financial period           | 51,235                 | 120,444                |
| <b>Cash and cash equivalents at the end of the financial period</b>          | <b><u>42,495</u></b>   | <b><u>50,913</u></b>   |

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 2016.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | -----Non-Distributable----- |                         |                                      |                                     |  |                              |                                  | -----Distributable----- |                           |                             |                 |                                     |                        |
|--|-----------------------------|-------------------------|--------------------------------------|-------------------------------------|--|------------------------------|----------------------------------|-------------------------|---------------------------|-----------------------------|-----------------|-------------------------------------|------------------------|
|  | Share capital<br>RM'000     | Share premium<br>RM'000 | Capital redemption reserve<br>RM'000 | Asset revaluation reserve<br>RM'000 | Foreign exchange translation reserve<br>RM'000 | Fair value reserve<br>RM'000 | Statutory reserve fund<br>RM'000 | Other reserve<br>RM'000 | Treasury shares<br>RM'000 | Retained earnings<br>RM'000 | Total<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
| <b>9 months ended 30 September 2017</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| <b>At 01.01.17</b>   | 178,026                     | 15,096                  | 19,000                               | 3,613                               | 48,178   | 36                           | 23                               | 6,206                   | (4,384)                   | 37,040                      | 302,834         | 51,624                              | 354,458                |
| <b>Comprehensive loss</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| (Loss)/Profit for the financial period   | -                           | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | (17,434)                    | (17,434)        | 1,230                               | (16,204)               |
| <b>Other comprehensive income/(loss)</b>   |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| Foreign currency translation differences   | -                           | -                       | -                                    | -                                   | (10,859)                                       | -                            | (1)                              | (408)                   | -                         | -                           | (11,268)        | (1,073)                             | (12,341)               |
| Fair value adjustment of available-for-sale financial assets   | -                           | -                       | -                                    | -                                   | -  | (12)                         | -                                | -                       | -                         | -                           | (12)            | -                                   | (12)                   |
| Adjustments for effects of Companies Act 2016 (Note 1)   | 34,096                      | (15,096)                | (19,000)                             | -                                   | -  | -                            | -                                | -                       | -                         | -                           | -               | -                                   | -                      |
| <b>Total other comprehensive loss for the financial period</b>   | 34,096                      | (15,096)                | (19,000)                             | -                                   | (10,859)                                       | (12)                         | (1)                              | (408)                   | -                         | -                           | (11,280)        | (1,073)                             | (12,353)               |
| <b>Total comprehensive income/(loss) for the financial period</b>  | 34,096                      | (15,096)                | (19,000)                             | -                                   | (10,859)                                       | (12)                         | (1)                              | (408)                   | -                         | (17,434)                    | (28,714)        | 157                                 | (28,557)               |
| <b>Transactions with owners</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| Transfer on disposal of subsidiary   | -                           | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | 44                          | 44              | -                                   | 44                     |
| Share issuance from private placement  | 13,549                      | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | -                           | 13,549          | -                                   | 13,549                 |
| <b>Total transactions with owners</b>  | 13,549                      | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | 44                          | 13,593          | -                                   | 13,593                 |
| <b>At 30.09.17</b>   | <b>225,671</b>              | <b>-</b>                | <b>-</b>                             | <b>3,613</b>                        | <b>37,319</b>                                  | <b>24</b>                    | <b>22</b>                        | <b>5,798</b>            | <b>(4,384)</b>            | <b>19,650</b>               | <b>287,713</b>  | <b>51,781</b>                       | <b>339,494</b>         |
| <b>9 months ended 30 September 2016</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| <b>At 01.01.16</b>   | 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                |
| <b>Comprehensive (loss)/income</b>   |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| (Loss)/Profit for the financial period   | -                           | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | (258)                       | (258)           | 2,552                               | 2,294                  |
| <b>Other comprehensive loss</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| Foreign currency translation differences   | -                           | -                       | -                                    | -                                   | (10,259)                                       | -                            | (189)                            | (221)                   | -                         | -                           | (10,669)        | (3,816)                             | (14,485)               |
| Fair value adjustment of available-for-sale financial assets   | -                           | -                       | -                                    | -                                   | -  | (39)                         | -                                | -                       | -                         | -                           | (39)            | -                                   | (39)                   |
| Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries | -                           | -                       | -                                    | -                                   | (18,142)                                       | -                            | -                                | -                       | -                         | -                           | (18,142)        | -                                   | (18,142)               |
| <b>Total other comprehensive loss for the financial period</b>   | -                           | -                       | -                                    | -                                   | (28,401)                                       | (39)                         | (189)                            | (221)                   | -                         | -                           | (28,850)        | (3,816)                             | (32,666)               |
| <b>Total comprehensive loss for the financial period</b>   | -                           | -                       | -                                    | -                                   | (28,401)                                       | (39)                         | (189)                            | (221)                   | -                         | (258)                       | (29,108)        | (1,264)                             | (30,372)               |
| <b>Transactions with owners</b>  |                             |                         |                                      |                                     |  |                              |                                  |                         |                           |                             |                 |                                     |                        |
| Transfer on disposal of subsidiaries   | -                           | -                       | -                                    | -                                   | -  | -                            | (9,992)                          | -                       | -                         | 9,992                       | -               | -                                   | -                      |
| Changes in ownership interests in a subsidiary   | -                           | -                       | -                                    | -                                   | -  | -                            | -                                | -                       | -                         | -                           | -               | 400                                 | 400                    |
| Realisation of fair value reserve on disposal of subsidiaries  | -                           | -                       | -                                    | -                                   | -  | 59                           | -                                | -                       | -                         | -                           | 59              | 25                                  | 84                     |
| 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)                |
| <b>Total transactions with owners</b>  | -                           | -                       | -                                    | -                                   | -  | 59                           | (9,992)                          | -                       | -                         | 5,674                       | (4,259)         | 425                                 | (3,834)                |
| <b>At 30.09.16</b>   | <b>178,026</b>              | <b>15,096</b>           | <b>19,000</b>                        | <b>2,786</b>                        | <b>39,033</b>                                  | <b>36</b>                    | <b>-</b>                         | <b>5,722</b>            | <b>(4,384)</b>            | <b>30,545</b>               | <b>285,860</b>  | <b>54,171</b>                       | <b>340,031</b>         |

**Note 1**

With the Companies Act 2016 ("the New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act.

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 2016.



**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 2016.

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 2016 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretation that were issued but not yet effective and have not been applied by the Group from 1 January 2017:

|                        |   | Effective for annual periods<br>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  |
| MFRS 17                | Insurance Contracts                                     | 1 January 2021  |
| Amendments to MFRS 2   | Share-based payments                                    | 1 January 2018  |
| Amendments to MFRS 4   | Insurance Contracts                                     | 1 January 2018  |
| Amendments to MFRS 10  | Consolidated Financial Statements                       | Deferred  |
| Amendments to MFRS 128 | Investments in Associate and Joint Ventures             | 1 January 2018/Deferred                               |
| Amendments to MFRS 140 | Investment Property                                     | 1 January 2018  |
| IC Interpretation 22   | Foreign Currency Transactions and Advance Consideration | 1 January 2018  |
| IC Interpretation 23   | Uncertainty over Income Tax Treatments                  | 1 January 2019  |

The directors expect that the adoption of the new MFRSs, Amendments to MFRSs and IC Interpretation 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 September 2017, 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 127 of the Companies Act, 2016.

On 4 April 2017, the Company had completed the Private Placement of up to 10% of the Company's existing total number of issued shares (excluding treasury shares), following the listing of and quotation for 17,000,000 Placement Shares at an issue price of RM0.797 per share on the Main Market of Bursa Securities.

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

There was no dividend paid during the current financial quarter under review.

## 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<br>& related<br>value added<br>services<br>RM'000 | Freight<br>forwarding,<br>transportation<br>& distribution<br>RM'000 | Solar energy<br>& related<br>businesses<br>RM'000 | Consolidated<br>RM'000 |
|---|---|--|---|------------------------|
| <b>3 months ended 30.09.2017</b>                          |   |  |   |                        |
| External revenue  | 3,776   | 55   | 867   | 4,698                  |
| Segment profit/(loss)                                     | 1,425   | 5  | (381)   | 1,049                  |
| <b>3 months ended 30.09.2016</b>                          |   |  |   |                        |
| External revenue  | 3,909   | 92   | -   | 4,001                  |
| Segment profit/(loss)                                     | 211   | (30)   | -   | 181                    |
| <b>9 months ended 30.09.2017</b>                          |   |  |   |                        |
| External revenue  | 10,746  | 178  | 867   | 11,791                 |
| Segment profit/(loss)                                     | 2,953   | 12   | (381)   | 2,584                  |
| <b>9 months ended 30.09.2016</b>                          |   |  |   |                        |
| External revenue  | 16,224  | 353  | -   | 16,577                 |
| Segment loss  | (2,732)   | (162)  | -   | (2,894)                |
| <b>Reconciliation of reportable segment (loss)/profit</b> |   |  |   |                        |
|   | <b>Individual quarter</b>                                     |  | <b>Cumulative quarters</b>                        |                        |
|   | <b>3 months ended</b>   |  | <b>9 months ended</b>                             |                        |
|   | <b>30.09.17</b>   | <b>30.09.16</b>  | <b>30.09.17</b>                                   | <b>30.09.16</b>        |
|   | RM'000  | RM'000   | RM'000  | RM'000                 |
| Total profit/(loss) from reportable segments              | 1,049   | 181  | 2,584   | (2,894)                |
| Other non-reportable segments                             | (1,175)   | 13,074   | (4,718)   | 11,123                 |
| Share of results of associates                            | (1,048)   | (2,166)  | (1,466)   | (3,347)                |
| Share of results of a jointly controlled entity           | (3,771)   | (1,287)  | (12,281)  | (2,555)                |
| Consolidated (loss)/profit before tax                     | <b>(4,945)</b>  | <b>9,802</b>   | <b>(15,881)</b>                                   | <b>2,327</b>           |

### b. By Geographical Location

| External revenue                                 | Individual quarter |              | Cumulative quarters |               |
|--|--------------------|--------------|---------------------|---------------|
|  | 3 months ended     |              | 9 months ended      |               |
|  | 30.09.17           | 30.09.16     | 30.09.17            | 30.09.16      |
|  | RM'000             | RM'000       | RM'000              | RM'000        |
| Malaysia   | 867                | -            | 867                 | -             |
| The People's Republic of China (incl. Hong Kong) | 3,831              | 4,001        | 10,924              | 16,577        |
|  | <b>4,698</b>       | <b>4,001</b> | <b>11,791</b>       | <b>16,577</b> |

## A.8 Operating Segments (cont'd)

### b. By Geographical Location (cont'd)

| (Loss)/Profit before tax                         | Individual quarter |              | Cumulative quarters |              |
|--|--------------------|--------------|---------------------|--------------|
|  | 3 months ended     |              | 9 months ended      |              |
|  | 30.09.17           | 30.09.16     | 30.09.17            | 30.09.16     |
|  | RM'000             | RM'000       | RM'000              | RM'000       |
| Malaysia   | (1,545)            | (49)         | (5,063)             | (1,916)      |
| The People's Republic of China (incl. Hong Kong) | 371                | 11,138       | 1,463               | 6,798        |
| United Arab Emirates                             | (3,771)            | (1,287)      | (12,281)            | (2,555)      |
|  | <u>(4,945)</u>     | <u>9,802</u> | <u>(15,881)</u>     | <u>2,327</u> |

## A.9 Valuations of Property, Plant and Equipment

The valuation of lands and buildings have been brought forward without amendment from the previous audited Annual Financial Statements.

## A.10 Material Subsequent Events

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

## A.11 Changes in The Composition of the Group

Integrated Freight Services Sdn Bhd, a wholly-owned subsidiary of ILB which was under Members' Voluntary Winding-up, had been dissolved in January 2017.

On 18 April 2017, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had acquired 2 ordinary shares of RM1.00 each in IL Power Sdn. Bhd. ("IL Power"), representing 100% of the issued and paid up share capital of IL Power for a total cash consideration of RM2.00.

On 21 April 2017, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had entered into a Share Sale Agreement with Bee Sun Sdn Bhd to dispose off 100% equity interest in Feel Solar Sdn Bhd for a total cash consideration of Ringgit Malaysia Two Million Nine Hundred Eighty One Thousand One Hundred and Ninety Three Only (RM2,981,193.00) upon the terms and conditions stated in the Agreement.

On 8 May 2017, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had acquired 2 ordinary shares of RM1.00 each in East Borneo Solar Sdn. Bhd ("East Borneo"), representing 100% of the issued and paid up share capital of East Borneo for a total cash consideration of RM2.00.

## A.12 Contingent Liabilities and Contingent Assets

As at the end of the reporting quarter, corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries amounted to RM88.2 million, and to a jointly controlled entity amounted to RM32.9 million.

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

## A.13 Capital Commitment

As at the end of the reporting quarter, the Group has capital commitments totalling RM28.1 million in respect of the construction of a solar power plant, renovations to office building & improvements to warehouse buildings in the People's Republic of China.



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

### B.1 Review of Performance

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

For the current financial period ended 30 September 2017, the Group posted a revenue of RM11.8 million which was 28.9% lower than the revenue of RM16.6 million for the corresponding period in the preceding year. The lower revenue was mainly due to decrease in revenue from the warehousing & related value added services and transportation & distribution segments of the Group's operations upon completion of disposal of subsidiaries on 8 July 2016 in the People's Republic of China.

The Group posted a pre-tax loss of RM15.9 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM2.3 million. The increase in pre-tax loss of RM18.2 million for the current financial period was mainly due to the following:

|   | RM million    |
|---|---------------|
| i) <u>The People's Republic of China</u>          |               |
| Gain on disposal of subsidiaries in prior year    | (12.9)        |
| Decrease in operating costs                       | 4.3           |
| Increase in other income                          | 2.0           |
| Decrease in losses from Associate                 | 1.7           |
| Increase in finance costs                         | (0.5)         |
| ii) <u>Malaysia</u>                               |               |
| Increase in operating costs                       | (2.3)         |
| Decrease in other income                          | (1.0)         |
| Decrease in losses from Associate                 | 0.2           |
| iii) <u>United Arab Emirates</u>                  |               |
| Increase in losses from Jointly Controlled Entity | (9.7)         |
|   | <u>(18.2)</u> |

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

For the current quarter ended 30 September 2017, the Group posted a revenue of RM4.7 million which was 17.4% higher than the revenue of RM4.0 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to increase in new revenue from solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM4.9 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM9.8 million. The increase in pre-tax loss of RM14.7 million for the current quarter was mainly due to the following:

|   | RM million    |
|---|---------------|
| i) <u>The People's Republic of China</u>          |               |
| Gain on disposal of subsidiaries in prior year    | (12.9)        |
| Increase in other income                          | 1.2           |
| Decrease in losses from Associate                 | 0.9           |
| Decrease in operating costs                       | 0.1           |
| ii) <u>Malaysia</u>                               |               |
| Increase in operating costs                       | (1.7)         |
| Decrease in losses from Associate                 | 0.2           |
| iii) <u>United Arab Emirates</u>                  |               |
| Increase in losses from Jointly Controlled Entity | (2.5)         |
|   | <u>(14.7)</u> |

## B.2 Comparison With Immediate Preceding Quarter's Results

|                 | Individual quarter<br>3 months ended |                    | %<br>changes |
|-----------------|--------------------------------------|--------------------|--------------|
|                 | 30.09.17<br>RM'000                   | 30.06.17<br>RM'000 |              |
| Revenue         | 4,698                                | 3,428              | 37.0%        |
| Loss before tax | (4,945)                              | (3,475)            | -42.3%       |

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 37.0% from RM3.4 million to RM4.7 million. The higher revenue was mainly due to the increase in revenue from the warehousing & related value added services segment of the Group's operations in the People's Republic of China and new revenue from solar energy & related business segment of the Group's operations in Malaysia.

The Group recorded a pre-tax loss of RM4.9 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM3.5 million. The increase in pre-tax loss of RM1.4 million for the current quarter was mainly due to the following:

|   | RM million   |
|---|--------------|
| i) <u>The People's Republic of China</u>              |              |
| Increase in losses from Associate                     | (2.0)        |
| Increase in profit generated from increase in revenue | 0.2          |
| Decrease in other income                              | (0.1)        |
| ii) <u>Malaysia</u>                                   |              |
| Increase in operating costs                           | (0.1)        |
| Increase in other income                              | 0.1          |
| iii) <u>United Arab Emirates</u>                      |              |
| Decrease in losses from Jointly Controlled Entity     | 0.5          |
|   | <u>(1.4)</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<br>ended 30.09.2017<br>RM'000 | Current financial year-to-date<br>ended 30.09.2017<br>RM'000 |
|--------------------------------------|---|--|
| Tax expense comprises :-             |   |  |
| Current income tax                   | 193   | 323  |
| Deferred tax                         | -   | -  |
| Tax expense for the financial period | <u>193</u>  | <u>323</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 September 2017 are as follows:-

|  | Current financial quarter<br>ended 30.09.2017 | Current financial year-to-date<br>ended 30.09.2017 |
|--|---|--|
|  | RM'000  | RM'000   |
| Loss before tax  | <u>(4,945)</u>                                | <u>(15,881)</u>                                    |
| Tax at Malaysian statutory income tax rate of 24%                          | (1,186)                                       | (3,811)  |
| Different tax rates in other countries                                     | 222   | 495  |
| Adjustments:   |   |  |
| Share of results of associates   | 129   | 123  |
| Share of results of a jointly controlled entity                            | 906   | 2,948  |
| Tax effect on non-taxable revenue  | (401)   | (730)  |
| Tax effect on non-deductible expenses                                      | 782   | 1,969  |
| Deferred tax assets not recognised during the financial year               | 37  | 112  |
| Utilisation of deferred tax assets not recognised in prior financial years | (296)   | (786)  |
| Under provision in prior year  |   |  |
| - income tax   | -   | 3  |
| Income tax expense recognised in profit or loss                            | <u>193</u>                                    | <u>323</u>   |

## B.6 Status of Corporate Proposals

The Company's proposed diversification of the existing core business to include solar energy and solar energy related businesses was approved by shareholders at the Company's Extraordinary General Meeting held on the 25 April 2017.

## B.7 Group Borrowings and Debt Securities

|   | As at 30.09.2017                  |                              |                                   |                              |                                   |                              |
|---|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|   | Long term borrowings              |                              | Short term borrowings             |                              | Total borrowings                  |                              |
|   | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 |
| <b>Secured :-</b>                       |                                   |                              |                                   |                              |                                   |                              |
| Term loans                              |                                   |                              |                                   |                              |                                   |                              |
| - USD                                   | 42,750                            | -                            | 11,400                            | -                            | 54,150                            | -                            |
| - RM                                    | -                                 | 37,597                       | -                                 | 767                          | -                                 | 38,364                       |
| <b>Unsecured :-</b>                     |                                   |                              |                                   |                              |                                   |                              |
| Loan from a non-controlling shareholder |                                   |                              |                                   |                              |                                   |                              |
| - HKD                                   | 35,559                            | -                            | 6,027                             | -                            | 41,586                            | -                            |
|   | 78,309                            | 37,597                       | 17,427                            | 767                          | 95,736                            | 38,364                       |

|   | As at 30.09.2016                  |                              |                                   |                              |                                   |                              |
|---|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
|   | Long term borrowings              |                              | Short term borrowings             |                              | Total borrowings                  |                              |
|   | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 | Foreign<br>denomination<br>RM'000 | RM<br>denomination<br>RM'000 |
| <b>Secured :-</b>                       |                                   |                              |                                   |                              |                                   |                              |
| Term loans                              |                                   |                              |                                   |                              |                                   |                              |
| - USD                                   | 53,055                            | -                            | 8,998                             | -                            | 62,053                            | -                            |
| - RM                                    | -                                 | 4,291                        | -                                 | 385                          | -                                 | 4,676                        |
| <b>Unsecured :-</b>                     |                                   |                              |                                   |                              |                                   |                              |
| Loan from a non-controlling shareholder |                                   |                              |                                   |                              |                                   |                              |
| - HKD                                   | 5,870                             | -                            | 11,488                            | -                            | 17,358                            | -                            |
|   | 58,925                            | 4,291                        | 20,486                            | 385                          | 79,411                            | 4,676                        |

## 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)/Profit Per Share ("EPS")

|  | Individual Quarter<br>3 months ended |            | Cumulative Quarters<br>9 months ended |              |
|--|--------------------------------------|------------|---------------------------------------|--------------|
|  | 30.09.17                             | 30.09.16   | 30.09.17                              | 30.09.16     |
| (Loss)/Profit attributable to owners of the Parent (RM'000)        | (5,628)                              | 6,092      | (17,434)                              | (258)        |
| Weighted average number of ordinary shares<br>for basic EPS ('000) | 189,737                              | 172,737    | 183,821                               | 172,737      |
| <b>Basic EPS (sen)</b>   | <b>(3.0)</b>                         | <b>3.5</b> | <b>(9.5)</b>                          | <b>(0.2)</b> |

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

|  | As at 30.09.2017     | As at 30.09.2016     |
|--|----------------------|----------------------|
|  | RM'000               | RM'000               |
| Total retained earnings of the Company and its subsidiaries        |                      |                      |
| - Realised   | 130,925              | 108,216              |
| - Unrealised   | 2,436                | (6)                  |
|  | <u>133,361</u>       | <u>108,210</u>       |
| Total share of retained earnings from associates                   |                      |                      |
| - Realised   | (3,539)              | 8,239                |
| - Unrealised   | (1,485)              | (3,341)              |
|  | <u>(5,024)</u>       | <u>4,898</u>         |
| Total share of accumulated losses from a jointly controlled entity |                      |                      |
| - Realised   | (54,429)             | (40,020)             |
| - Unrealised   | -                    | -                    |
|  | <u>(54,429)</u>      | <u>(40,020)</u>      |
| Less : Consolidation adjustments                                   | (54,258)             | (42,543)             |
| Total retained earnings of the Group                               | <b><u>19,650</u></b> | <b><u>30,545</u></b> |

### B.13 Loss Before Tax

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

|   | <b>Current financial quarter<br/>ended 30.09.2017</b> | <b>Current financial year-to-date<br/>ended 30.09.2017</b> |
|---|---|--|
|   | RM'000  | RM'000   |
| Amortisation of land use rights                   | 99  | 297  |
| Amortisation of prepaid land lease payments       | -   | 24   |
| Auditors' remuneration                            |   |  |
| - statutory audit                                 | 24  | 78   |
| Depreciation of property, plant and equipment     | 1,216   | 2,813  |
| Directors' remuneration                           |   |  |
| - fees  | 97  | 291  |
| - other emoluments                                | 720   | 2,300  |
| Gain on disposal of investment in subsidiary      | -   | (10)   |
| (Gain)/Loss on foreign exchange                   |   |  |
| - realised  | -   | 10   |
| - unrealised                                      | (1,133)   | (2,436)  |
| Government subsidies                              | (85)  | (85)   |
| Income distribution from short term fund          | (162)   | (227)  |
| Interest expense                                  | 986   | 2,858  |
| Interest income                                   | (727)   | (2,177)  |
| Loss on disposal of property, plant and equipment | 6   | 6  |
| Rental income on warehouse                        | (398)   | (1,195)  |
| Rental of equipment                               | (24)  | 9  |
| Rental of lorries                                 | -   | 36   |
| Rental of warehouse and office buildings          | 235   | 623  |
| Staff costs                                       |   |  |
| - Contribution to defined contribution plan       | 48  | 178  |
| - Salaries and others                             | 901   | 3,003  |

### 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  
23 November 2017