



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		% changes	Cumulative quarters		% changes
	3 months ended			12 months ended		
	31.12.17	31.12.16		31.12.17	31.12.16	
	RM'000	RM'000		RM'000	RM'000	
Revenue	4,516	5,076	-11.0%	16,307	21,653	-24.7%
Operating costs	(7,791)	(10,904)		(25,015)	(34,962)	
Other income	2,343	18,941		8,500	36,986	
(Loss)/Profit from operations	(932)	13,113	-107.1%	(208)	23,677	-100.9%
Finance costs	(1,182)	(956)		(4,040)	(3,291)	
Share of results of						
Associates	20,517	(8,457)		19,051	(11,804)	
Jointly controlled entity	(3,245)	(2,128)		(15,526)	(4,683)	
Profit/(Loss) before tax	15,158	1,572	864.2%	(723)	3,899	-118.5%
Tax expense	(1,496)	(96)		(1,819)	(129)	
Profit/(Loss) for the financial period/year	<u>13,662</u>	<u>1,476</u>	825.6%	<u>(2,542)</u>	<u>3,770</u>	-167.4%
Attributable to:						
Owners of the parent	7,827	6,103		(9,607)	5,845	
Non-controlling interests	5,835	(4,627)		7,065	(2,075)	
Profit/(Loss) for the financial period/year	<u>13,662</u>	<u>1,476</u>		<u>(2,542)</u>	<u>3,770</u>	

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2016.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period/year	13,662	1,476	(2,542)	3,770
Other comprehensive (loss)/income, net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(4,049)	12,890	(16,390)	(1,595)
Fair value adjustment of available-for-sale financial assets	(24)	-	(36)	(39)
Reclassification to profit or loss upon disposal of subsidiaries	-	(1,673)	-	(19,815)
Total other comprehensive (loss)/income for the financial period/year, net of tax	(4,073)	11,217	(16,426)	(21,449)
Total comprehensive income/(loss) for the financial period/year	<u>9,589</u>	<u>12,693</u>	<u>(18,968)</u>	<u>(17,679)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	3,965	16,206	(24,749)	(12,902)
Non-controlling interests	5,624	(3,513)	5,781	(4,777)
Total comprehensive income/(loss) for the financial period/year	<u>9,589</u>	<u>12,693</u>	<u>(18,968)</u>	<u>(17,679)</u>
Basic earnings/(loss) per share attributable to owners of the Company (sen)	<u>4.1</u>	<u>3.5</u>	<u>(5.2)</u>	<u>3.4</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.17 RM'000	As at 31.12.16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	244,117	184,021
Land use rights	15,949	17,050
Prepaid land lease payments	-	2,801
Capital work-in-progress	6,061	2,773
Intangible assets	2,725	2,725
Interest in associates	56,955	38,656
Interest in a jointly controlled entity	2,657	20,154
Other investments	389	495
Amount owing by a jointly controlled entity	60,605	67,172
	389,458	335,847
Current assets		
Trade receivables	157	58
Other receivables, deposits and prepayments	19,733	18,334
Amount owing by a jointly controlled entity	39,117	34,196
Tax assets	76	536
Short-term fund	20,445	17,444
Cash & cash equivalents	33,880	52,252
	113,408	122,820
TOTAL ASSETS	502,866	458,667
EQUITY AND LIABILITIES		
Equity		
Share capital	225,671	178,026
Reserves	70,451	129,192
Treasury shares	(4,384)	(4,384)
Total equity attributable to owners of the Company	291,738	302,834
Non-controlling interests	57,574	51,624
Total equity	349,312	354,458
Non-current liabilities		
Long term borrowings	118,444	67,822
Deferred tax liabilities	2,488	1,996
	120,932	69,818
Current liabilities		
Trade payables	42	40
Other payables, deposits and accruals	12,413	17,023
Amount owing to an associate	58	-
Short term borrowings	18,984	17,069
Tax payables	1,125	259
	32,622	34,391
Total Liabilities	153,554	104,209
TOTAL EQUITY AND LIABILITIES	502,866	458,667

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

	12 months ended	
	31.12.17	31.12.16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(723)	3,899
Adjustments for :-		
Amortisation of land use rights	397	415
Amortisation of prepaid land lease payments	24	48
Depreciation of property, plant and equipment	3,879	2,276
Gain on disposal of property, plant and equipment	(112)	-
Gain on disposal of subsidiaries	(10)	(14,413)
Gain on unrealised foreign exchange	(3,140)	(7)
Impairment loss on other investments	55	-
Income distribution from short term fund	(352)	(1,436)
Interest expense	4,040	3,291
Interest income	(2,915)	(3,304)
(Reversal)/Provision for employee benefits	(3)	21
Provision for impairment loss on interest in an associate	1,706	(15,821)
Share of results of associates	(19,051)	11,804
Share of results of a jointly controlled entity	15,526	4,683
Operating loss before working capital changes	<u>(679)</u>	<u>(8,544)</u>
Changes in working capital :-		
Receivables	1,046	(1,444)
Payables	(7,171)	(6,169)
Net cash flows used in operations	<u>(6,804)</u>	<u>(16,157)</u>
Interest paid	(3,788)	(3,422)
Tax paid	(431)	(659)
Tax refunded	454	10
Net cash flows used in operating activities	(10,569)	(20,228)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to a jointly controlled entity	(8,954)	(7,824)
Advances from an associate	58	-
Capital work-in-progress incurred	(5,199)	(29,367)
Changes in non-controlling interests in subsidiaries	-	400
Dividend received	-	5,000
Effect of disposal of subsidiaries, net of cash disposed	2,833	978
Interest received	757	2,182
Placement of fixed deposits	(31)	(807)
(Placement)/Withdrawal of short term fund	(3,036)	14,125
Purchase of property, plant and equipment	(65,171)	(28,610)
Purchase of prepaid land lease payments	-	(2,849)
Proceeds from disposal of property, plant and equipment	118	-
Net cash flows used in investing activities	(78,625)	(46,772)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(4,318)
Drawdown of unsecured loan from a corporate shareholder	27,415	46,280
Proceeds from term loans	44,102	24,949
Repayments of term loans	(10,515)	(2,464)
Repayments of unsecured loan from a corporate shareholder	-	(69,189)
Share issuance from private placement	13,549	-
Net cash flows from/(used in) financing activities	74,551	(4,742)
Net decrease in cash and cash equivalents	(14,643)	(71,742)
Effects of exchange rate changes on cash and cash equivalents	(3,761)	2,533
Cash and cash equivalents at the beginning of the financial year	51,235	120,444
Cash and cash equivalents at the end of the financial year	32,831	51,235

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					Non-controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Asset revaluation reserve	Foreign exchange translation reserve	Fair value reserve	Statutory reserve fund	Other reserve	Treasury shares	Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended 31 December 2017														
At 01.01.17, restated	178,026	15,096	19,000	3,613	48,178	36	23	11,169	(4,384)	32,077	302,834	51,624	354,458	
Comprehensive income/(loss)														
(Loss)/Profit for the financial year	-	-	-	-	-	-	-	-	-	(9,607)	(9,607)	7,065	(2,542)	
Other comprehensive income/(loss)														
Foreign currency translation differences	-	-	-	-	(13,914)	-	(24)	(1,168)	-	-	(15,106)	(1,284)	(16,390)	
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(36)	-	-	-	-	(36)	-	(36)	
Adjustments for effects of Companies Act 2016 (Note 1)	34,096	(15,096)	(19,000)	-	-	-	-	-	-	-	-	-	-	
Total other comprehensive income/(loss) for the financial year	34,096	(15,096)	(19,000)	-	(13,914)	(36)	(24)	(1,168)	-	-	(15,142)	(1,284)	(16,426)	
Total comprehensive income/(loss) for the financial year	34,096	(15,096)	(19,000)	-	(13,914)	(36)	(24)	(1,168)	-	(9,607)	(24,749)	5,781	(18,968)	
Transactions with owners														
Transfer to statutory reserve fund	-	-	-	-	-	-	397	-	-	(397)	-	-	-	
Transfer on disposal of subsidiary	-	-	-	-	-	-	-	-	-	44	44	-	44	
Derecognised on disposal of subsidiaries by an associate	-	-	-	-	-	-	-	(125)	-	-	(125)	(53)	(178)	
Surplus on revaluation of freehold land and buildings	-	-	-	185	-	-	-	-	-	-	185	222	407	
Share issuance from private placement	13,549	-	-	-	-	-	-	-	-	-	13,549	-	13,549	
Total transactions with owners	13,549	-	-	185	-	-	397	(125)	-	(353)	13,653	169	13,822	
At 31.12.17	225,671	-	-	3,798	34,264	-	396	9,876	(4,384)	22,117	291,738	57,574	349,312	
12 months ended 31 December 2016														
At 01.01.16	178,026	15,096	19,000	2,786	67,434	16	10,181	5,943	(4,384)	25,129	319,227	55,010	374,237	
Reclassification of share of other reserve of an associate previously included in retained profits	-	-	-	-	-	-	-	4,963	-	(4,963)	-	-	-	
At 01.01.16, restated	178,026	15,096	19,000	2,786	67,434	16	10,181	10,906	(4,384)	20,166	319,227	55,010	374,237	
Comprehensive income/(loss)														
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	-	-	5,845	5,845	(2,075)	3,770	
Other comprehensive income/(loss)														
Foreign currency translation differences	-	-	-	-	643	-	226	263	-	-	1,132	(2,727)	(1,595)	
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(39)	-	-	-	-	(39)	-	(39)	
Reclassification to profit or loss upon disposal of subsidiaries	-	-	-	-	(19,899)	59	-	-	-	-	(19,840)	25	(19,815)	
Total other comprehensive income/(loss) for the financial year	-	-	-	-	(19,256)	20	226	263	-	-	(18,747)	(2,702)	(21,449)	
Total comprehensive income/(loss) for the financial year	-	-	-	-	(19,256)	20	226	263	-	5,845	(12,902)	(4,777)	(17,679)	
Transactions with owners														
Transfer to statutory reserve fund	-	-	-	-	-	-	23	-	-	(23)	-	-	-	
Transfer on disposal of subsidiaries	-	-	-	-	-	-	(10,407)	-	-	10,407	-	-	-	
Changes in non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	400	400	
Surplus on revaluation of freehold land and buildings	-	-	-	827	-	-	-	-	-	-	827	991	1,818	
Interim single-tier dividend of 2.5% per share in respect of the financial year ended 31.12.2015	-	-	-	-	-	-	-	-	-	(4,318)	(4,318)	-	(4,318)	
Total transactions with owners	-	-	-	827	-	-	(10,384)	-	-	6,066	(3,491)	1,391	(2,100)	
At 31.12.16, restated	178,026	15,096	19,000	3,613	48,178	36	23	11,169	(4,384)	32,077	302,834	51,624	354,458	

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 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 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
Amendments to MFRS 2	Share-based payments	1 January 2018
Amendments to MFRS 3	Business Combinations (Previously Held Interest in a Joint Operation)	1 January 2019
Amendments to MFRS 4	Insurance Contracts	1 January 2018
Amendments to MFRS 9	Prepayment Features with Negative Compensations	1 January 2019
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 11	Joint Arrangements (Previously Held Interest in a Joint Operation)	1 January 2019
Amendments to MFRS 112	Income Taxes (Income Tax Consequences of Payments on Financial Instruments)	1 January 2019
Amendments to MFRS 123	Borrowing Costs (Borrowing Costs Eligible for Capitalisation)	1 January 2019
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 its issued share capital from the open market. As at 31 December 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 & related value added services RM'000	Freight forwarding, transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
3 months ended 31.12.2017				
External revenue	3,786	65	665	4,516
Segment profit/(loss)	670	4	(1,090)	(416)
3 months ended 31.12.2016				
External revenue	4,465	91	-	4,556
Segment loss	(3,398)	(64)	-	(3,462)
	Warehousing & related value added services RM'000	Freight forwarding, transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
12 months ended 31.12.2017				
External revenue	14,532	243	1,532	16,307
Segment profit/(loss)	3,623	16	(1,471)	2,168
12 months ended 31.12.2016				
External revenue	20,689	444	-	21,133
Segment loss	(6,130)	(226)	-	(6,356)
Reconciliation of reportable external revenue	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Total external revenue from reportable segments	4,516	4,556	16,307	21,133
Other non-reportable segments	-	520	-	520
Consolidated revenue	4,516	5,076	16,307	21,653

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

Reconciliation of reportable segment (loss)/profit

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments	(416)	(3,462)	2,168	(6,356)
Other non-reportable segments	(1,698)	15,619	(6,416)	26,742
Share of results of associates	20,517	(8,457)	19,051	(11,804)
Share of results of a jointly controlled entity	(3,245)	(2,128)	(15,526)	(4,683)
Consolidated profit/(loss) before tax	<u>15,158</u>	<u>1,572</u>	<u>(723)</u>	<u>3,899</u>

b. By Geographical Location

External revenue

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	665	520	1,532	520
The People's Republic of China (incl. Hong Kong)	3,851	4,556	14,775	21,133
	<u>4,516</u>	<u>5,076</u>	<u>16,307</u>	<u>21,653</u>

Profit/(Loss) before tax

	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	(1,186)	(1,860)	(6,249)	(3,776)
The People's Republic of China (incl. Hong Kong)	19,589	5,560	21,052	12,358
United Arab Emirates	(3,245)	(2,128)	(15,526)	(4,683)
	<u>15,158</u>	<u>1,572</u>	<u>(723)</u>	<u>3,899</u>

A.9 Valuations of Property, Plant and Equipment

The warehouse buildings were valued based on valuations performed by an independent registered valuer as at 31 December 2017. The increase arising from the valuations amounting to RM0.5 million has been incorporated into the financial statements during the quarter under review.

A.10 Material Subsequent Events

On 18 January 2018, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had acquired 400,000 ordinary shares representing 20% of the issued and paid-up capital of IL Solar Sdn. Bhd. from Atlantic Blue Sdn. Bhd. and Pensolar Sdn. Bhd. for a total cash consideration of Ringgit Malaysia Four Hundred Thousand Only (RM400,000-00).

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 RM93.3 million, and to a jointly controlled entity amounted to RM28.7 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 RM1.1 million in respect of the 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 year ended 31 December 2017, the Group posted a revenue of RM16.3 million which was 24.7% lower than the revenue of RM21.7 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 RM0.7 million for the current financial year as compared to the pre-tax profit for the corresponding period in the preceding year of RM3.9 million. The decrease in pre-tax profit of RM4.6 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in share of profit from Associate	30.7
Reversal of impairment on interest in an Associate in prior year	(15.8)
Gain on disposal of subsidiaries in prior year	(14.4)
Provision for impairment loss on interest in an Associate	(1.7)
Decrease in operating costs	7.6
Increase in other income	3.0
Increase in finance costs	(0.7)
ii) <u>Malaysia</u>	
Increase in operating costs	(1.4)
Decrease in other income	(1.2)
Decrease in share of losses from Associate	0.1
iii) <u>United Arab Emirates</u>	
Increase in share of losses from Jointly Controlled Entity	(10.8)
	<u>(4.6)</u>

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

For the current quarter ended 31 December 2017, the Group posted a revenue of RM4.5 million which was 11.0% lower than the revenue of RM5.1 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to decrease in revenue upon completion of disposal of a subsidiary in Malaysia on 21 April 2017.

The Group posted a pre-tax profit of RM15.2 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM1.6 million. The increase in pre-tax profit of RM13.6 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in share of profit from Associate	29.0
Reversal of impairment on interest in an Associate in prior year	(15.8)
Provision for impairment loss on interest in an Associate	(1.7)
Decrease in operating costs	3.2
Gain on disposal of subsidiaries in prior year	(1.5)
Increase in other income	1.0
Increase in finance costs	(0.2)
ii) <u>Malaysia</u>	
Decrease in operating costs	1.0
Decrease in other income	(0.3)
iii) <u>United Arab Emirates</u>	
Increase in share of losses from Jointly Controlled Entity	(1.1)
	<u>13.6</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Individual quarter 3 months ended		% changes
	31.12.2017 RM'000	30.09.17 RM'000	
Revenue	<u>4,516</u>	<u>4,698</u>	-3.9%
Profit/(Loss) before tax	<u>15,158</u>	<u>(4,945)</u>	406.5%

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 3.9% from RM4.7 million to RM4.5 million. The lower revenue was mainly due to the decrease in revenue from the solar energy & related business segment of the Group's operations in Malaysia.

The Group recorded a pre-tax profit of RM15.2 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM4.9 million. The increase in pre-tax profit of RM20.1 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in share of profit from Associate	21.7
Provision for impairment loss on interest in an Associate	(1.7)
Increase in operating costs	(0.3)
Decrease in other income	(0.3)
Increase in finance costs	(0.2)
ii) <u>Malaysia</u>	
Decrease in operating costs	0.4
Increase in other income	0.1
Increase in share of losses from Associate	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	<u>0.5</u>
	<u>20.1</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

Not applicable as there was no profit forecast issued.

B.5 Tax Expense

	Current financial quarter ended 31.12.2017 RM'000	Current financial year-to-date ended 31.12.2017 RM'000
Tax expense comprises :-		
Current income tax	1,002	1,325
Deferred tax	<u>494</u>	<u>494</u>
Tax expense for the financial period/year	<u>1,496</u>	<u>1,819</u>

B.5 Tax Expense (cont'd)

Reconciliation between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial period ended 31 December 2017 are as follows:-

	Current financial quarter ended 31.12.2017	Current financial year-to-date ended 31.12.2017
	RM'000	RM'000
Profit/(Loss) before tax	15,158	(723)
Tax at Malaysian statutory income tax rate of 24%	4,881	(173)
Different tax rates in other countries	(1,610)	(726)
Adjustments:		
Share of results of associates	(107)	16
Share of results of a jointly controlled entity	778	3,726
Tax effect on non-taxable revenue	(3,963)	(3,876)
Tax effect on non-deductible expenses	344	2,350
Deferred tax assets not recognised during the financial year	31	143
Utilisation of deferred tax assets not recognised in prior financial years	610	(176)
Under provision in prior year		
- income tax	-	3
- deferred tax	532	532
Income tax expense recognised in profit or loss	1,496	1,819

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 31.12.2017					
	Long term borrowings		Short term borrowings		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured :-						
Term loans						
- USD	38,264	-	10,933	-	49,197	-
- RM	-	46,101	-	2,180	-	48,281
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	34,079	-	5,871	-	39,950	-
	72,343	46,101	16,804	2,180	89,147	48,281

	As at 31.12.2016					
	Long term borrowings		Short term borrowings		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured :-						
Term loans						
- USD	54,508	-	10,542	-	65,050	-
- RM	-	4,180	-	399	-	4,579
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	9,134	-	6,128	-	15,262	-
	63,642	4,180	16,670	399	80,312	4,579

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

	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
	31.12.17	31.12.16	31.12.17	31.12.16
Profit/(Loss) attributable to owners of the Parent (RM'000)	7,827	6,103	(9,607)	5,845
Weighted average number of ordinary shares for basic EPS ('000)	189,737	172,737	185,313	172,737
Basic EPS (sen)	<u>4.1</u>	<u>3.5</u>	<u>(5.2)</u>	<u>3.4</u>

B.12 Profit Before Tax

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

	Current financial quarter ended 31.12.2017	Current financial year-to-date ended 31.12.2017
	RM'000	RM'000
Amortisation of land use rights	100	397
Amortisation of prepaid land lease payments	-	24
Auditors' remuneration		
- statutory audit	152	230
Depreciation of property, plant and equipment	1,066	3,879
Directors' remuneration		
- fees	86	377
- other emoluments	239	2,539
Gain on disposal of property, plant and equipment	(118)	(112)
Gain on disposal of subsidiaries	-	(10)
Gain on foreign exchange		
- realised	(30)	(20)
- unrealised	(704)	(3,140)
Government subsidies	(164)	(249)
Impairment loss on other investments	55	55
Income distribution from short term fund	(125)	(352)
Interest expense	1,182	4,040
Interest income	(738)	(2,915)
Provision for impairment loss on interest in an associate	1,706	1,706
Rental income on land	(11)	(11)
Rental income on warehouse	(399)	(1,594)
Rental of equipment	3	12
Rental of lorries	-	36
Rental of warehouse and office buildings	207	830
Reversal of employee benefits	(3)	(3)
Staff costs		
- Contribution to defined contribution plan	57	235
- Salaries and others	<u>970</u>	<u>3,973</u>

B.13 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
28 February 2017