

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		%	Cumulative quarter		%
	3 months ended			3 months ended		
	31.03.18	31.03.17	changes	31.03.18	31.03.17	changes
	RM'000	RM'000		RM'000	RM'000	
Revenue	6,264	3,665	70.9%	6,264	3,665	70.9%
Operating costs	(5,347)	(5,701)		(5,347)	(5,701)	
Other income	2,500	1,194		2,500	1,194	
Profit/(Loss) from operations	3,417	(842)	505.8%	3,417	(842)	505.8%
Finance costs	(1,757)	(915)		(1,757)	(915)	
Share of results of						
Associates	(795)	(1,417)		(795)	(1,417)	
Jointly controlled entity	(2,555)	(4,287)		(2,555)	(4,287)	
Loss before tax	(1,690)	(7,461)	77.3%	(1,690)	(7,461)	77.3%
Tax expense	(219)	-		(219)	-	
Loss for the financial period	(1,909)	(7,461)	74.4%	(1,909)	(7,461)	74.4%
Attributable to:						
Owners of the Company	(2,899)	(7,175)		(2,899)	(7,175)	
Non-controlling interests	990	(286)		990	(286)	
Loss for the financial period	(1,909)	(7,461)		(1,909)	(7,461)	

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 2017.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(1,909)	(7,461)	(1,909)	(7,461)
Other comprehensive loss, net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(6,972)	(3,941)	(6,972)	(3,941)
Fair value adjustment of available-for-sale financial assets	-	(12)	-	(12)
Total other comprehensive loss for the financial period, net of tax	(6,972)	(3,953)	(6,972)	(3,953)
Total comprehensive loss for the financial period	<u>(8,881)</u>	<u>(11,414)</u>	<u>(8,881)</u>	<u>(11,414)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(8,941)	(10,304)	(8,941)	(10,304)
Non-controlling interests	60	(1,110)	60	(1,110)
Total comprehensive loss for the financial period	<u>(8,881)</u>	<u>(11,414)</u>	<u>(8,881)</u>	<u>(11,414)</u>
Basic loss per share attributable to owners of the Company (sen)	<u>(1.5)</u>	<u>(4.2)</u>	<u>(1.5)</u>	<u>(4.2)</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 2017.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.18 RM'000	As at 31.12.17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	245,233	244,117
Land use rights	15,713	15,949
Capital work-in-progress	3,315	6,061
Intangible assets	2,563	2,595
Interest in associates	53,847	56,955
Interest in a jointly controlled entity	18,708	22,278
Other investments	270	389
Amount owing by a jointly controlled entity	57,844	60,605
	397,493	408,949
Current assets		
Trade receivables	2,672	157
Other receivables, deposits and prepayments	18,147	19,733
Amount owing by a jointly controlled entity	21,238	19,497
Tax assets	93	76
Short term fund	16,752	20,445
Cash & cash equivalents	29,599	33,880
	88,501	93,788
TOTAL ASSETS	485,994	502,737
EQUITY AND LIABILITIES		
Equity		
Share capital	225,671	225,671
Reserves	61,195	70,353
Treasury shares	(4,384)	(4,384)
Total equity attributable to owners of the Company	282,482	291,640
Non-controlling interests	57,451	57,574
Total equity	339,933	349,214
Non-current liabilities		
Long term borrowings	85,263	92,544
Deferred tax liabilities	2,384	2,457
	87,647	95,001
Current liabilities		
Trade payables	330	42
Other payables, deposits and accruals	9,897	12,471
Short term borrowings	47,804	44,884
Tax liabilities	383	1,125
	58,414	58,522
Total Liabilities	146,061	153,523
	485,994	502,737

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 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31.03.18	31.03.17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax,	(1,690)	(7,461)
Adjustments for :-		
Amortisation of land use rights	95	100
Amortisation of intangible assets	32	-
Amortisation of prepaid land lease payments	-	24
Depreciation of property, plant and equipment	1,775	939
(Gain)/Loss on unrealised foreign exchange	(1,680)	2
Income distribution from short term fund	(119)	(23)
Interest expense	1,757	915
Interest income	(151)	(732)
Loss on disposal of other investments	34	-
Share of results of associates	795	1,417
Share of results of a jointly controlled entity	2,555	4,287
Operating profit/(loss) before working capital changes	<u>3,403</u>	<u>(532)</u>
Changes in working capital :-		
Receivables	(931)	(6,029)
Payables	(2,312)	(5,201)
Net cash flows from/(used in) operations	<u>160</u>	<u>(11,762)</u>
Interest paid	(1,103)	(931)
Tax paid	(954)	(114)
Tax refunded	-	57
Net cash flows used in operating activities	<u>(1,897)</u>	<u>(12,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional interests in a subsidiary	(400)	-
Advances to a jointly controlled entity	(2,703)	(2,451)
Capital work-in-progress incurred	(762)	(7,198)
Interest received	278	101
Placement of fixed deposits	(5)	(5)
Proceeds from disposal of other investments	98	-
Purchase of property, plant and equipment	(719)	(648)
Withdrawal of fixed deposits	216	-
Withdrawal of short term fund	3,672	13,965
Net cash flows (used in)/from investing activities	<u>(325)</u>	<u>3,764</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of unsecured loan from a corporate shareholder	2,674	-
Interest paid	(628)	-
Repayments of term loan	(2,769)	(2,324)
Net cash flows used in financing activities	<u>(723)</u>	<u>(2,324)</u>
Net decrease in cash and cash equivalents	<u>(2,945)</u>	<u>(11,310)</u>
Effects of exchange rate changes on cash and cash equivalents	(1,125)	(615)
Cash and cash equivalents at the beginning of the financial period	32,831	51,235
Cash and cash equivalents at the end of the financial period	<u>28,761</u>	<u>39,310</u>

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 2017.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----							-----Distributable-----					Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Asset revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Statutory reserve fund RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
3 months ended 31 March 2018													
At 01.01.18	225,671	-	-	3,798	34,253	-	191	9,876	(4,384)	22,235	291,640	57,574	349,214
Comprehensive loss													
(Loss)/Profit for the financial period	-	-	-	-	-	-	-	-	-	(2,899)	(2,899)	990	(1,909)
Other comprehensive loss													
Exchange differences on translation of foreign operations	-	-	-	-	(5,540)	-	(10)	(492)	-	-	(6,042)	(930)	(6,972)
Total other comprehensive loss for the financial period	-	-	-	-	(5,540)	-	(10)	(492)	-	-	(6,042)	(930)	(6,972)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(5,540)	-	(10)	(492)	-	(2,899)	(8,941)	60	(8,881)
Transaction with owners													
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	-	(217)	(217)	(183)	(400)
At 31.03.18	225,671	-	-	3,798	28,713	-	181	9,384	(4,384)	19,119	282,482	57,451	339,933
3 months ended 31 March 2017													
At 01.01.17	178,026	15,096	19,000	3,613	48,178	36	23	6,206	(4,384)	37,040	302,834	51,624	354,458
Comprehensive loss													
Loss for the financial period	-	-	-	-	-	-	-	-	-	(7,175)	(7,175)	(286)	(7,461)
Other comprehensive loss													
Exchange differences on translation of foreign operations	-	-	-	-	(3,017)	-	-	(100)	-	-	(3,117)	(824)	(3,941)
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(12)	-	-	-	-	(12)	-	(12)
Total other comprehensive loss for the financial period	-	-	-	-	(3,017)	(12)	-	(100)	-	-	(3,129)	(824)	(3,953)
Total comprehensive loss for the financial period	-	-	-	-	(3,017)	(12)	-	(100)	-	(7,175)	(10,304)	(1,110)	(11,414)
Transition to no-par value regime	34,096	(15,096)	(19,000)	-	-	-	-	-	-	-	-	-	-
At 31.03.17	212,122	-	-	3,613	45,161	24	23	6,106	(4,384)	29,865	292,530	50,514	343,044

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 2017.

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 2017.

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 2017 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 2018:

		Effective for annual periods beginning on or after
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 3	Business Combinations (Previously Held Interest in a Joint Operation)	1 January 2019
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 119	Employee Benefits	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 2019/Deferred
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 March 2018, 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 67A of the Companies Act, 1965.

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	Transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
3 months ended 31.03.2018				
External revenue	3,635	74	2,555	6,264
Segment profit	2,159	9	603	2,771
3 months ended 31.03.2017				
External revenue	3,608	57	-	3,665
Segment profit	180	2	-	182
Reconciliation of reportable segment profit/(loss)				
	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Total profit from reportable segments	2,771	182	2,771	182
Other non-reportable segments	(1,111)	(1,939)	(1,111)	(1,939)
Share of results of associates	(795)	(1,417)	(795)	(1,417)
Share of results of a jointly controlled entity	(2,555)	(4,287)	(2,555)	(4,287)
Consolidated loss before tax	(1,690)	(7,461)	(1,690)	(7,461)

b. By Geographical Location

External revenue	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,555	-	2,555	-
The People's Republic of China (incl. Hong Kong)	3,709	3,665	3,709	3,665
	6,264	3,665	6,264	3,665
Loss before tax				
	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	(489)	(1,924)	(489)	(1,924)
The People's Republic of China (incl. Hong Kong)	1,354	(1,250)	1,354	(1,250)
United Arab Emirates	(2,555)	(4,287)	(2,555)	(4,287)
	(1,690)	(7,461)	(1,690)	(7,461)

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

On 18 January 2018, IL Energy Sdn. Bhd. (“IL Energy”), 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. (“IL Solar”) from Atlantic Blue Sdn. Bhd. and Pensolar Sdn. Bhd. for a total cash consideration of RM400,000.00. The equity interest in IL Solar held by IL Energy had changed from 80% to 100%.

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 RM88.4 million, and to a jointly controlled entity amounted to RM24.6 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 RM0.3 million in respect of the 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

For the current quarter ended 31 March 2018, the Group posted a revenue of RM6.3 million which was 70.9% higher than the revenue of RM3.7 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to revenue increase from the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM1.7 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM7.5 million. The decrease in pre-tax loss of RM5.8 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in other income	1.8
Decrease in share of losses from Associate	0.6
Decrease in operating costs	0.5
Increase in finance costs	(0.2)
ii) <u>Malaysia</u>	
Increase in profit generated from increase in revenue	2.5
Increase in finance costs	(0.6)
Decrease in other income	(0.5)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.7
	<u>5.8</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Individual quarter 3 months ended		%
	31.03.18	31.12.17	changes
	RM'000	RM'000	
Revenue	<u>6,264</u>	<u>4,516</u>	38.7%
(Loss)/Profit before tax	<u>(1,690)</u>	<u>15,071</u>	-111.2%

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 38.7% from RM4.5 million to RM6.3 million. The higher revenue was mainly due to the revenue increase from the solar energy & related business segment of the Group's operations in Malaysia.

The Group recorded a pre-tax loss of RM1.7 million for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM15.1 million. The decrease in pre-tax profit of RM16.8 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in share of profit from Associate	(21.4)
Provision for impairment loss on interest in an Associate in prior year	1.7
Increase in other income	0.9
Decrease in operating costs	0.6
ii) <u>Malaysia</u>	
Increase in profit generated from increase in revenue	1.9
Decrease in other income	(0.7)
Increase in finance costs	(0.6)
Increase in share of profit from Associate	0.1
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	0.7
	<u>(16.8)</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 ended 31.03.2018	Current financial year-to-date ended 31.03.2018
	RM'000	RM'000
Tax expense comprises :-		
Current income tax	227	227
Deferred tax	<u>(8)</u>	<u>(8)</u>
Tax expense for the financial period	<u>219</u>	<u>219</u>

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 31 March 2018 are as follows:-

	Current financial quarter ended 31.03.2018	Current financial year-to-date ended 31.03.2018
	RM'000	RM'000
Loss before tax	<u>(1,690)</u>	<u>(1,690)</u>
Tax at Malaysian statutory income tax rate of 24%	(406)	(406)
Different tax rates in other countries	152	152
Adjustments:		
Share of results of associates	191	191
Share of results of a jointly controlled entity	613	613
Tax effect on non-taxable revenue	(469)	(469)
Tax effect on non-deductible expenses	242	242
Deferred tax assets not recognised during the financial year	49	49
Utilisation of deferred tax assets not recognised in prior financial years	<u>(153)</u>	<u>(153)</u>
Income tax expense recognised in profit or loss	<u>219</u>	<u>219</u>

B.6 Status of Corporate Proposals

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 with total placement proceeds amounting to RM13,549,000 on the Main Market of Bursa Securities.

The proceeds from the said placement have not yet been utilised by the Company pending suitable opportunities to invest further in solar energy activities.

B.7 Group Borrowings and Debt Securities

	As at 31.03.2018					
	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	33,894	-	10,429	-	44,323	-
- RM	-	43,597	-	4,580	-	48,177
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	7,772	-	32,795	-	40,567	-
	41,666	43,597	43,224	4,580	84,890	48,177

	As at 31.03.2017					
	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	50,651	-	11,146	-	61,797	-
- RM	-	4,079	-	402	-	4,481
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	8,987	-	6,029	-	15,016	-
	59,638	4,079	17,175	402	76,813	4,481

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 Per Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
Loss attributable to owners of the Company (RM'000)	(2,899)	(7,175)	(2,899)	(7,175)
Weighted average number of ordinary shares for basic EPS ('000)	189,737	172,737	189,737	172,737
Basic EPS (sen)	<u>(1.5)</u>	<u>(4.2)</u>	<u>(1.5)</u>	<u>(4.2)</u>

B.12 Loss Before Tax

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

	Current financial quarter ended 31.03.2018	Current financial year-to-date ended 31.03.2018
	RM'000	RM'000
Amortisation of land use rights	95	95
Amortisation of intangible assets	32	32
Auditors' remuneration		
- statutory audit	21	21
Depreciation of property, plant and equipment	1,775	1,775
Directors' remuneration		
- fees	99	99
- other emoluments	444	444
(Gain)/Loss on foreign exchange		
- realised	(80)	(80)
- unrealised	(1,680)	(1,680)
Income distribution from short term fund	(119)	(119)
Interest expense	1,757	1,757
Interest income	(151)	(151)
Loss on disposal of other investments	34	34
Planting income	(4)	(4)
Rental income on warehouse	(413)	(413)
Rental of equipment	3	3
Rental of warehouse and office buildings	198	198
Staff costs		
- Contribution to defined contribution plan	40	40
- Salaries and others	847	847

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
15 May 2018