



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		%	Cumulative quarters		%
	3 months ended			9 months ended		
	30.09.18	30.09.17	changes	30.09.18	30.09.17	changes
	RM'000	RM'000		RM'000	RM'000	
Revenue	6,181	4,698	31.6%	18,684	11,791	58.5%
Operating costs	(28,280)	(6,350)		(39,850)	(17,224)	
Other income	665	2,512		2,031	6,157	
(Loss)/Profit from operations	(21,434)	860	-2592.3%	(19,135)	724	-2743.0%
Finance costs	(2,043)	(986)		(5,830)	(2,858)	
Share of results of						
Associates	(528)	(1,048)		(1,754)	(1,466)	
Jointly controlled entity	(2,588)	(3,771)		(7,653)	(12,281)	
Loss before tax	(26,593)	(4,945)	-437.8%	(34,372)	(15,881)	-116.4%
Tax expense	(342)	(193)		(799)	(323)	
Loss for the financial period	<u>(26,935)</u>	<u>(5,138)</u>	-424.2%	<u>(35,171)</u>	<u>(16,204)</u>	-117.1%
Attributable to:						
Owners of the Company	(19,784)	(5,628)		(27,880)	(17,434)	
Non-controlling interests	(7,151)	490		(7,291)	1,230	
Loss for the financial period	<u>(26,935)</u>	<u>(5,138)</u>		<u>(35,171)</u>	<u>(16,204)</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 2017.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(26,935)	(5,138)	(35,171)	(16,204)
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	(2,681)	(3,228)	(4,388)	(12,341)
Fair value adjustment of available-for-sale financial assets	-	-	-	(12)
Total other comprehensive loss for the financial period, net of tax	(2,681)	(3,228)	(4,388)	(12,353)
Total comprehensive loss for the financial period	<u>(29,616)</u>	<u>(8,366)</u>	<u>(39,559)</u>	<u>(28,557)</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(20,699)	(8,951)	(29,777)	(28,714)
Non-controlling interests	(8,917)	585	(9,782)	157
Total comprehensive loss for the financial period	<u>(29,616)</u>	<u>(8,366)</u>	<u>(39,559)</u>	<u>(28,557)</u>
Basic loss per share attributable to owners of the Company (sen)	<u>(10.4)</u>	<u>(3.0)</u>	<u>(14.7)</u>	<u>(9.5)</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 30.09.18 RM'000	As at 31.12.17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	239,485	244,117
Land use rights	15,188	15,949
Capital work-in-progress	3,297	6,061
Intangible assets	2,498	2,595
Interest in associates	30,989	56,955
Interest in a jointly controlled entity	15,127	22,278
Other investments	270	389
Amount owing by a jointly controlled entity	61,969	60,605
	368,823	408,949
Current assets		
Trade receivables	149	157
Other receivables, deposits and prepayments	16,016	19,733
Amount owing by a jointly controlled entity	28,386	19,497
Tax assets	114	76
Short term fund	16,300	20,445
Cash & cash equivalents	25,542	33,880
	86,507	93,788
TOTAL ASSETS	455,330	502,737
EQUITY AND LIABILITIES		
Equity		
Share capital	225,671	225,671
Reserves	40,359	70,353
Treasury shares	(4,384)	(4,384)
Total equity attributable to owners of the Company	261,646	291,640
Non-controlling interests	47,609	57,574
Total equity	309,255	349,214
Non-current liabilities		
Long term borrowings	82,694	92,544
Deferred tax liabilities	2,806	2,457
	85,500	95,001
Current liabilities		
Trade payables	170	42
Other payables, deposits and accruals	9,998	12,471
Short term borrowings	50,264	44,884
Tax liabilities	143	1,125
	60,575	58,522
Total Liabilities	146,075	153,523
	455,330	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

	9 months ended	
	30.09.18	30.09.17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax,	(34,372)	(15,881)
Adjustments for :-		
Amortisation of intangible assets	97	-
Amortisation of land use rights	298	297
Amortisation of prepaid land lease payments	-	24
Depreciation of property, plant and equipment	5,594	2,813
(Gain)/Loss on disposal of property, plant and equipment	(52)	6
Gain on disposal of subsidiary	-	(10)
Impairment loss on investment in an associate	20,617	-
Income distribution from short-term fund	(367)	(227)
Interest expense	5,830	2,858
Interest income	(249)	(2,177)
Loss on disposal of other investments	34	-
Loss/(Gain) on unrealised foreign exchange	2,218	(2,436)
Share of results of associates	1,754	1,466
Share of results of a jointly controlled entity	7,653	12,281
Operating profit/(loss) before working capital changes	<u>9,055</u>	<u>(986)</u>
Changes in working capital :-		
Receivables	3,724	(5,386)
Payables	(2,642)	(4,243)
Net cash flows from/(used in) operations	<u>10,137</u>	<u>(10,615)</u>
Interest paid	(3,567)	(2,791)
Tax paid	(1,507)	(234)
Tax refunded	-	61
Net cash flows from/(used in) operating activities	<u>5,063</u>	<u>(13,579)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional interests in a subsidiary	(400)	-
Advances to a jointly controlled entity	(8,208)	(8,954)
Capital work-in-progress incurred	(843)	(52,859)
Effect of disposal of subsidiary, net of cash disposed	-	2,833
Interest received	616	471
Placement of fixed deposits	(19)	(18)
Proceeds from disposal of other investments	98	-
Proceeds from disposal of property, plant and equipment	52	-
Purchase of property, plant and equipment	(877)	(1,152)
Withdrawal of fixed deposits	216	-
Withdrawal of short-term fund	4,132	2,102
Net cash flows used in investing activities	<u>(5,233)</u>	<u>(57,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	2,396	34,082
Drawdown of unsecured loan from a corporate shareholder	1,195	27,975
Interest paid	(1,966)	-
Proceeds from issuance of ordinary shares	-	13,549
Repayments of term loan	(10,700)	(7,615)
Net cash flows (used in)/from financing activities	<u>(9,075)</u>	<u>67,991</u>
Net decrease in cash and cash equivalents	<u>(9,245)</u>	<u>(3,165)</u>
Effects of exchange rate changes on cash and cash equivalents	1,105	(5,575)
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>24,691</u>	<u>42,495</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-----					Non-controlling interests RM'000	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			
9 months ended 30 September 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 for the financial period	-	-	-	-	-	-	-	-	-	(27,880)	(27,880)	(7,291)	(35,171)	
Other comprehensive (loss)/income														
Exchange differences on translation of foreign operations	-	-	-	-	(2,109)	-	4	208	-	-	(1,897)	(2,491)	(4,388)	
Total other comprehensive (loss)/income for the financial period	-	-	-	-	(2,109)	-	4	208	-	-	(1,897)	(2,491)	(4,388)	
Total comprehensive (loss)/income for the financial period	-	-	-	-	(2,109)	-	4	208	-	(27,880)	(29,777)	(9,782)	(39,559)	
Transaction with owners														
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	-	(217)	(217)	(183)	(400)	
At 30.09.18	225,671	-	-	3,798	32,144	-	195	10,084	(4,384)	(5,862)	261,646	47,609	309,255	
9 months ended 30 September 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)/income														
(Loss)/Profit for the financial period	-	-	-	-	-	-	-	-	-	(17,434)	(17,434)	1,230	(16,204)	
Other comprehensive income/(loss)														
Exchange differences on translation of foreign operations	-	-	-	-	(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)	-	-	-	-	-	-	-	-	-	-	
Total other comprehensive income/(loss) for the financial period	34,096	(15,096)	(19,000)	-	(10,859)	(12)	(1)	(408)	-	-	(11,280)	(1,073)	(12,353)	
Total comprehensive income/(loss) for the financial period	34,096	(15,096)	(19,000)	-	(10,859)	(12)	(1)	(408)	-	(17,434)	(28,714)	157	(28,557)	
Transactions with owners														
Transfer on disposal of subsidiary	-	-	-	-	-	-	-	-	-	44	44	-	44	
Share issuance from private placement	13,549	-	-	-	-	-	-	-	-	-	13,549	-	13,549	
Total transactions with owners	13,549	-	-	-	-	-	-	-	-	44	13,593	-	13,593	
At 30.09.17	225,671	-	-	3,613	37,319	24	22	5,798	(4,384)	19,650	287,713	51,781	339,494	

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 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, IC Interpretation and Amendments to 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 2	Share-based Payment	1 January 2020 *
Amendments to MFRS 3	Business Combinations	1 January 2019/1 January 2020 *
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020 *
Amendments to MFRS 9	Financial Instruments	1 January 2019
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 11	Joint Arrangements	1 January 2019
Amendments to MFRS 14	Regulatory Deferral Accounts	1 January 2020 *
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020 *
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020 *
Amendments to MFRS 112	Income Taxes	1 January 2019
Amendments to MFRS 119	Employee Benefits	1 January 2019
Amendments to MFRS 123	Borrowing Costs	1 January 2019
Amendments to MFRS 128	Investments in Associate and Joint Ventures	1 January 2019/Deferred
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020 *
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020 *
Amendments to MFRS 138	Intangible Assets	1 January 2020 *
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IC Interpretation 12	Service Concession Arrangements	1 January 2020 *
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020 *
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020 *
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020 *
Amendments to IC Interpretation 132	Intangible Assets - Web Site Costs	1 January 2020 *

* Amendments to References to the Conceptual Framework in MFRS Standards

The directors expect that the adoption of the new MFRSs, Amendments to MFRSs, IC Interpretation and Amendments to 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 30 September 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 127 of the Companies Act, 2016.

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 30.09.2018				
External revenue	<u>3,847</u>	<u>82</u>	<u>2,252</u>	<u>6,181</u>
Segment (loss)/profit	<u>(2,087)</u>	<u>(3)</u>	<u>195</u>	<u>(1,895)</u>
3 months ended 30.09.2017				
External revenue	<u>3,776</u>	<u>55</u>	<u>867</u>	<u>4,698</u>
Segment profit/(loss)	<u>1,425</u>	<u>5</u>	<u>(381)</u>	<u>1,049</u>
	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
9 months ended 30.09.2018				
External revenue	<u>11,340</u>	<u>259</u>	<u>7,085</u>	<u>18,684</u>
Segment (loss)/profit	<u>(2,247)</u>	<u>5</u>	<u>1,150</u>	<u>(1,092)</u>
9 months ended 30.09.2017				
External revenue	<u>10,746</u>	<u>178</u>	<u>867</u>	<u>11,791</u>
Segment profit/(loss)	<u>2,953</u>	<u>12</u>	<u>(381)</u>	<u>2,584</u>

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

Reconciliation of reportable segment (loss)/profit	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments	(1,895)	1,049	(1,092)	2,584
Other non-reportable segments	(21,582)	(1,175)	(23,873)	(4,718)
Share of results of associates	(528)	(1,048)	(1,754)	(1,466)
Share of results of a jointly controlled entity	(2,588)	(3,771)	(7,653)	(12,281)
Consolidated loss before tax	<u>(26,593)</u>	<u>(4,945)</u>	<u>(34,372)</u>	<u>(15,881)</u>

b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,252	867	7,085	867
The People's Republic of China (incl. Hong Kong)	3,929	3,831	11,599	10,924
	<u>6,181</u>	<u>4,698</u>	<u>18,684</u>	<u>11,791</u>

Loss before tax	Individual quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	(738)	(1,545)	(2,032)	(5,063)
The People's Republic of China (incl. Hong Kong)	(23,267)	371	(24,687)	1,463
United Arab Emirates	(2,588)	(3,771)	(7,653)	(12,281)
	<u>(26,593)</u>	<u>(4,945)</u>	<u>(34,372)</u>	<u>(15,881)</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

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 RM86.3 million, and to a jointly controlled entity amounted to RM20.5 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 RM0.2 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

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

For the current financial period ended 30 September 2018, the Group posted a revenue of RM18.7 million which was 58.5% higher than the revenue of RM11.8 million for the corresponding period 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 RM34.4 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM15.9 million. The increase in pre-tax loss of RM18.5 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Provision for impairment loss on investment in an Associate	(20.6)
Decrease in other income	(2.5)
Increase in operating costs	(1.8)
Increase in finance costs	(1.0)
Increase in share of losses from Associate	(0.3)
ii) <u>Malaysia</u>	
Increase in profit in tandem with the increase in revenue	6.7
Increase in finance costs	(2.0)
Decrease in other income	(1.6)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	4.6
	<u>(18.5)</u>

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

For the current quarter ended 30 September 2018, the Group posted a revenue of RM6.2 million which was 31.6% higher than the revenue of RM4.7 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 RM26.6 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM4.9 million. The increase in pre-tax loss of RM21.7 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Provision for impairment loss on investment in an Associate	(20.6)
Increase in operating costs	(2.0)
Decrease in other income	(1.2)
Decrease in share of losses from Associate	0.5
Increase in finance costs	(0.4)
ii) <u>Malaysia</u>	
Increase in profit in tandem with the increase in revenue	2.2
Increase in finance costs	(0.7)
Decrease in other income	(0.7)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.2
	<u>(21.7)</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Individual quarter 3 months ended		% changes
	30.09.18 RM'000	30.06.18 RM'000	
Revenue	<u>6,181</u>	<u>6,239</u>	-0.9%
Loss before tax	<u>(26,593)</u>	<u>(6,089)</u>	-336.7%

The Group recorded a revenue of RM6.2 million for the current quarter, which was 0.9% lower than the revenue recorded for the immediate preceding quarter. The lower revenue was mainly due to the revenue decrease from the solar energy & related business segment of the Group's operations in Malaysia.

The Group recorded a pre-tax loss of RM26.6 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM6.1 million. The increase in pre-tax loss of RM20.5 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Provision for impairment loss on investment in an Associate	(20.6)
Decrease in operating costs	0.2
Increase in share of losses from Associate	(0.1)
ii) <u>Malaysia</u>	
Decrease in operating costs	0.1
iii) <u>United Arab Emirates</u>	
Increase in share of losses from Jointly Controlled Entity	<u>(0.1)</u>
	<u>(20.5)</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.

In respect of Dubai warehousing operations, the Board is currently evaluating its investment in this venture.

The Group's warehouses in Wujiang China is currently fully occupied and we have signed a long-term tenancy agreement with the existing tenants. This will provide a sustainable rental income stream to the Group.

The Group has successfully commissioned 11 MW a.c. solar power plants in Malaysia. With the experience gained in the solar power plant installations, the Group will continue to pursue investments in solar renewable energy project to build up its concession asset base with recurring income stream.

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 30.09.2018	Current financial year-to-date ended 30.09.2018
	RM'000	RM'000
Tax expense comprises :-		
Current income tax	5	477
Deferred tax	<u>337</u>	<u>322</u>
Tax expense for the financial period	<u>342</u>	<u>799</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 2018 are as follows:-

	Current financial quarter ended 30.09.2018	Current financial year-to-date ended 30.09.2018
	RM'000	RM'000
Loss before tax	(26,593)	(34,372)
Tax at Malaysian statutory income tax rate of 24%	(6,382)	(8,249)
Different tax rates in other countries	1,728	1,860
Adjustments:		
Share of results of associates	(9)	285
Share of results of a jointly controlled entity	621	1,837
Tax effect on non-taxable revenue	(946)	(1,041)
Tax effect on non-deductible expenses	4,999	5,692
Deferred tax assets not recognised during the financial year	97	222
Utilisation of deferred tax assets not recognised in prior financial years	202	(60)
Under provision in prior year		
- income tax	1	222
- deferred tax	31	31
Income tax expense recognised in profit or loss	<u>342</u>	<u>799</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 30.09.2018					
	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	30,703	-	11,165	-	41,868	-
- RM	-	43,640	-	4,645	-	48,285
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	8,351	-	34,454	-	42,805	-
	39,054	43,640	45,619	4,645	84,673	48,285

	As at 30.09.2017					
	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	42,750	-	11,400	-	54,150	-
- RM	-	37,597	-	767	-	38,364
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	35,559	-	6,027	-	41,586	-
	78,309	37,597	17,427	767	95,736	38,364

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 Quarters 9 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
Loss attributable to owners of the Company (RM'000)	(19,784)	(5,628)	(27,880)	(17,434)
Weighted average number of ordinary shares for basic EPS ('000)	189,737	189,737	189,737	183,821
Basic EPS (sen)	(10.4)	(3.0)	(14.7)	(9.5)

B.12 Loss Before Tax

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

	Current financial quarter ended 30.09.2018	Current financial year-to-date ended 30.09.2018
	RM'000	RM'000
Amortisation of intangible assets	32	97
Amortisation of land use rights	100	298
Auditors' remuneration		
- statutory audit	22	73
Depreciation of property, plant and equipment	1,897	5,594
Directors' remuneration		
- fees	114	320
- other emoluments	452	1,344
Gain on disposal of property, plant and equipment	-	(52)
Government subsidies	(41)	(41)
Impairment loss on investment in an associate	20,617	20,617
Income distribution from short term fund	(123)	(367)
Interest expense	2,043	5,830
Interest income	(87)	(249)
Loss on foreign exchange		
- realised	152	89
- unrealised	1,659	2,218
Loss on disposal of other investments	-	34
Planting income	(5)	(12)
Rental income on land	-	(11)
Rental income on warehouse	(413)	(1,240)
Rental of equipment	3	9
Rental of warehouse and office buildings	188	578
Staff costs		
- Contribution to defined contribution plan	47	129
- Salaries and others	946	2,701

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

Wong Youn Kim
Company Secretary

Selangor
15 November 2018