



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		% changes	Cumulative quarters		% changes
	3 months ended			12 months ended		
	31.12.18	31.12.17		31.12.18	31.12.17	
	RM'000	RM'000		RM'000	RM'000	
Revenue	5,843	4,516	29.4%	24,527	16,307	50.4%
Operating costs	(69,347)	(7,921)		(109,197)	(25,145)	
Other income	611	2,385		2,642	8,542	
<b>Loss from operations</b>	<b>(62,893)</b>	<b>(1,020)</b>	nm	<b>(82,028)</b>	<b>(296)</b>	nm
Finance costs	(1,913)	(1,182)		(7,743)	(4,040)	
Share of results of						
Associates	(916)	20,517		(2,670)	19,051	
Jointly controlled entity	(2,198)	(3,245)		(9,851)	(15,526)	
<b>(Loss)/Profit before tax</b>	<b>(67,920)</b>	<b>15,070</b>	-550.7%	<b>(102,292)</b>	<b>(811)</b>	nm
Tax expense	1,059	(1,465)		260	(1,788)	
<b>(Loss)/Profit for the financial period/year</b>	<b><u>(66,861)</u></b>	<b><u>13,605</u></b>	-591.4%	<b><u>(102,032)</u></b>	<b><u>(2,599)</u></b>	nm
<b>Attributable to:</b>						
Owners of the Company	(70,405)	7,770		(98,285)	(9,664)	
Non-controlling interests	3,544	5,835		(3,747)	7,065	
<b>(Loss)/Profit for the financial period/year</b>	<b><u>(66,861)</u></b>	<b><u>13,605</u></b>		<b><u>(102,032)</u></b>	<b><u>(2,599)</u></b>	

\* nm - not meaningful

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 COMPREHENSIVE INCOME**

	<b>Individual quarter</b>		<b>Cumulative quarters</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.18</b>	<b>31.12.17</b>
	RM'000	RM'000	RM'000	RM'000
<b>(Loss)/Profit for the financial period/year</b>	<b>(66,861)</b>	<b>13,605</b>	<b>(102,032)</b>	<b>(2,599)</b>
<b>Other comprehensive income/(loss), net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	599	(4,049)	(3,789)	(16,390)
Fair value adjustment of available-for-sale financial assets	-	(24)	-	(36)
<b>Total other comprehensive income/(loss) for the financial period/year, net of tax</b>	<b>599</b>	<b>(4,073)</b>	<b>(3,789)</b>	<b>(16,426)</b>
<b>Total comprehensive (loss)/income for the financial period/year</b>	<b><u>(66,262)</u></b>	<b><u>9,532</u></b>	<b><u>(105,821)</u></b>	<b><u>(19,025)</u></b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(70,036)	3,908	(99,813)	(24,806)
Non-controlling interests	<u>3,774</u>	<u>5,624</u>	<u>(6,008)</u>	<u>5,781</u>
<b>Total comprehensive (loss)/income for the financial period/year</b>	<b><u>(66,262)</u></b>	<b><u>9,532</u></b>	<b><u>(105,821)</u></b>	<b><u>(19,025)</u></b>
<b>Basic (loss)/earnings per share attributable to owners of the Company (sen)</b>	<b><u>(37.1)</u></b>	<b><u>4.1</u></b>	<b><u>(51.8)</u></b>	<b><u>(5.2)</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 2017.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31.12.18 RM'000	As at 31.12.17 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	237,964	244,117
Land use rights	15,138	15,949
Capital work-in-progress	3,332	6,061
Intangible assets	2,465	2,595
Interest in associates	41,988	56,955
Interest in a jointly controlled entity	21,359	22,278
Other investments	270	389
Amount owing by a jointly controlled entity	-	60,605
	<b>322,516</b>	<b>408,949</b>
<b>Current assets</b>		
Trade receivables	833	157
Other receivables, deposits and prepayments	2,141	19,733
Amount owing by a jointly controlled entity	24,387	19,497
Tax assets	114	76
Short term fund	4,392	20,445
Cash & cash equivalents	29,154	33,880
	<b>61,021</b>	<b>93,788</b>
<b>TOTAL ASSETS</b>	<b>383,537</b>	<b>502,737</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	225,671	225,671
Reserves	(29,720)	70,353
Treasury shares	(4,797)	(4,384)
<b>Total equity attributable to owners of the Company</b>	<b>191,154</b>	<b>291,640</b>
<b>Non-controlling interests</b>	51,332	57,574
<b>Total equity</b>	<b>242,486</b>	<b>349,214</b>
<b>Non-current liabilities</b>		
Long term borrowings	78,735	92,544
Deferred tax liabilities	1,944	2,457
	<b>80,679</b>	<b>95,001</b>
<b>Current liabilities</b>		
Trade payables	80	42
Other payables, deposits and accruals	8,993	12,471
Short term borrowings	51,114	44,884
Tax liabilities	185	1,125
	<b>60,372</b>	<b>58,522</b>
<b>Total Liabilities</b>	<b>141,051</b>	<b>153,523</b>
	<b>383,537</b>	<b>502,737</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 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	31.12.18 RM'000	31.12.17 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax,	(102,292)	(811)
Adjustments for :-		
Amortisation of intangible assets	130	130
Amortisation of land use rights	389	397
Accrued interest from shareholders loan written off	11,683	-
Bad debts written off	645	-
Depreciation of property, plant and equipment	7,411	3,903
Fair value gain on short term fund	(16)	-
Gain on disposal of property, plant and equipment	(52)	(112)
Gain on disposal of subsidiary	-	(52)
Impairment loss on investment in an associate	9,198	1,706
Impairment loss on amount owing by a jointly controlled entity	63,096	-
Impairment loss on other investments	-	55
Income distribution from short-term fund	(444)	(352)
Interest expense	7,743	4,040
Interest income	(295)	(2,915)
Loss on disposal of other investments	34	-
Loss/(Gain) on unrealised foreign exchange	2,018	(3,140)
Property, plant and equipment written off	3	-
Reversal for employee benefits	(7)	(3)
Share of results of associates	2,670	(19,051)
Share of results of a jointly controlled entity	9,851	15,526
Operating profit/(loss) before working capital changes	11,765	(679)
Changes in working capital :-		
Receivables	4,836	1,046
Payables	(3,586)	(7,113)
Net cash flows from/(used in) operations	13,015	(6,746)
Interest paid	(4,951)	(3,788)
Tax paid	(1,427)	(431)
Tax refunded	-	454
<b>Net cash flows from/(used in) operating activities</b>	<b>6,637</b>	<b>(10,511)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of additional interests in a subsidiary	(400)	-
Advances to a jointly controlled entity	(13,883)	(8,954)
Capital work-in-progress incurred	(860)	(5,199)
Effect of disposal of subsidiary, net of cash disposed	-	2,833
Interest received	739	757
Placement of fixed deposits	(28)	(31)
Proceeds from disposal of other investments	98	-
Proceeds from disposal of property, plant and equipment	52	118
Purchase of property, plant and equipment	(999)	(65,171)
Withdrawal of fixed deposits	216	-
Withdrawal of short-term fund	16,056	(3,036)
<b>Net cash flows from/(used in) investing activities</b>	<b>991</b>	<b>(78,683)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	2,396	44,102
Drawdown of unsecured loan from a corporate shareholder	3,257	27,415
Interest paid	(2,638)	-
Proceeds from issuance of ordinary shares	-	13,549
Repayments of term loan	(12,569)	(10,515)
Treasury shares repurchased	(413)	-
<b>Net cash flows (used in)/from financing activities</b>	<b>(9,967)</b>	<b>74,551</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,339)</b>	<b>(14,643)</b>
Effects of exchange rate changes on cash and cash equivalents	(2,199)	(3,761)
Cash and cash equivalents at the beginning of the financial year	32,831	51,235
<b>Cash and cash equivalents at the end of the financial year</b>	<b>28,293</b>	<b>32,831</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 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			
<b>12 months ended 31 December 2018</b>														
<b>At 01.01.18</b>	225,671	-	-	3,798	34,253	-	191	9,876	(4,384)	22,235	291,640	57,574	349,214	
<b>Comprehensive loss</b>														
Loss for the financial year	-	-	-	-	-	-	-	-	-	(98,285)	(98,285)	(3,747)	(102,032)	
<b>Other comprehensive (loss)/income</b>														
Exchange differences on translation of foreign operations	-	-	-	-	(1,727)	-	4	195	-	-	(1,528)	(2,261)	(3,789)	
<b>Total other comprehensive (loss)/income for the financial year</b>	-	-	-	-	(1,727)	-	4	195	-	-	(1,528)	(2,261)	(3,789)	
<b>Total comprehensive (loss)/income for the financial year</b>	-	-	-	-	(1,727)	-	4	195	-	(98,285)	(99,813)	(6,008)	(105,821)	
<b>Transaction with owners</b>														
Transfer to statutory reserve fund	-	-	-	-	-	-	26	-	-	(26)	-	-	-	
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	-	(217)	(217)	(183)	(400)	
Revaluation decreased on freehold land and buildings	-	-	-	(43)	-	-	-	-	-	-	(43)	(51)	(94)	
Treasury shares purchased	-	-	-	-	-	-	-	-	(413)	-	(413)	-	(413)	
<b>Total transactions with owners</b>	-	-	-	(43)	-	-	26	-	(413)	(243)	(673)	(234)	(907)	
<b>At 31.12.18</b>	<b>225,671</b>	<b>-</b>	<b>-</b>	<b>3,755</b>	<b>32,526</b>	<b>-</b>	<b>221</b>	<b>10,071</b>	<b>(4,797)</b>	<b>(76,293)</b>	<b>191,154</b>	<b>51,332</b>	<b>242,486</b>	
<b>12 months ended 31 December 2017</b>														
<b>At 01.01.17</b>	178,026	15,096	19,000	3,613	48,178	36	23	11,169	(4,384)	32,077	302,834	51,624	354,458	
<b>Comprehensive (loss)/income</b>														
(Loss)/Profit for the financial year	-	-	-	-	-	-	-	-	-	(9,664)	(9,664)	7,065	(2,599)	
<b>Other comprehensive income/(loss)</b>														
Exchange differences on translation of foreign operations	-	-	-	-	(13,925)	-	(13)	(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)	-	-	-	-	-	-	-	-	-	-	
<b>Total other comprehensive income/(loss) for the financial year</b>	<b>34,096</b>	<b>(15,096)</b>	<b>(19,000)</b>	<b>-</b>	<b>(13,925)</b>	<b>(36)</b>	<b>(13)</b>	<b>(1,168)</b>	<b>-</b>	<b>-</b>	<b>(15,142)</b>	<b>(1,284)</b>	<b>(16,426)</b>	
<b>Total comprehensive income/(loss) for the financial year</b>	<b>34,096</b>	<b>(15,096)</b>	<b>(19,000)</b>	<b>-</b>	<b>(13,925)</b>	<b>(36)</b>	<b>(13)</b>	<b>(1,168)</b>	<b>-</b>	<b>(9,664)</b>	<b>(24,806)</b>	<b>5,781</b>	<b>(19,025)</b>	
<b>Transactions with owners</b>														
Transfer to statutory reserve fund	-	-	-	-	-	-	181	-	-	(181)	-	-	-	
Transfer on disposal of subsidiary	-	-	-	-	-	-	-	(125)	-	3	(122)	(53)	(175)	
Surplus on revaluation of freehold land and buildings	-	-	-	185	-	-	-	-	-	-	185	222	407	
Share issuance from private placement	13,549	-	-	-	-	-	-	-	-	-	13,549	-	13,549	
<b>Total transactions with owners</b>	<b>13,549</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>(125)</b>	<b>-</b>	<b>(178)</b>	<b>13,612</b>	<b>169</b>	<b>13,781</b>	
<b>At 31.12.17</b>	<b>225,671</b>	<b>-</b>	<b>-</b>	<b>3,798</b>	<b>34,253</b>	<b>-</b>	<b>191</b>	<b>9,876</b>	<b>(4,384)</b>	<b>22,235</b>	<b>291,640</b>	<b>57,574</b>	<b>349,214</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 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, new 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 1	First-time Adoption of Malaysian Financial Reporting Standards	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 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 #
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020 *
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2021 #
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 15	Revenue from Contracts with Customers	1 January 2021 #
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020 *
Amendments to MFRS 107	Statements of Cash Flows	1 January 2021 #
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 116	Property, Plant and Equipment	1 January 2021 #
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 132	Financial instruments: Presentation	1 January 2021 #
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020 *
Amendments to MFRS 136	Impairment of Assets	1 January 2021 #
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020 *
Amendments to MFRS 138	Intangible Assets	1 January 2020 *
Amendments to MFRS 140	Investment Property	1 January 2021 #
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

# Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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 repurchased a total of 836,900 ordinary shares of its issued share capital from the open market at an average cost of RM0.494 per share. The total consideration paid for the share buy-back was RM413,079 and was financed by internally generated funds. As at 31 December 2018, a total of 6,125,175 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

	<b>Warehousing &amp; related value added services RM'000</b>	<b>Transportation &amp; distribution RM'000</b>	<b>Solar energy &amp; related businesses RM'000</b>	<b>Consolidated RM'000</b>
<b>3 months ended 31.12.2018</b>				
External revenue	<u>3,603</u>	<u>69</u>	<u>2,171</u>	<u>5,843</u>
Segment (loss)/profit	<u>(9,181)</u>	<u>4</u>	<u>205</u>	<u>(8,972)</u>
<b>3 months ended 31.12.2017</b>				
External revenue	<u>3,786</u>	<u>65</u>	<u>665</u>	<u>4,516</u>
Segment (loss)/profit	<u>(1,036)</u>	<u>4</u>	<u>(1,090)</u>	<u>(2,122)</u>
	<b>Warehousing &amp; related value added services RM'000</b>	<b>Transportation &amp; distribution RM'000</b>	<b>Solar energy &amp; related businesses RM'000</b>	<b>Consolidated RM'000</b>
<b>12 months ended 31.12.2018</b>				
External revenue	<u>14,943</u>	<u>328</u>	<u>9,256</u>	<u>24,527</u>
Segment (loss)/profit	<u>(11,428)</u>	<u>9</u>	<u>1,355</u>	<u>(10,064)</u>
<b>12 months ended 31.12.2017</b>				
External revenue	<u>14,532</u>	<u>243</u>	<u>1,532</u>	<u>16,307</u>
Segment profit/(loss)	<u>1,917</u>	<u>16</u>	<u>(1,471)</u>	<u>462</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		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments	(8,972)	(2,122)	(10,064)	462
Loss from other non-reportable segments	(55,834)	(80)	(79,707)	(4,798)
Share of results of associates	(916)	20,517	(2,670)	19,051
Share of results of a jointly controlled entity	(2,198)	(3,245)	(9,851)	(15,526)
Consolidated (loss)/profit before tax	<u>(67,920)</u>	<u>15,070</u>	<u>(102,292)</u>	<u>(811)</u>

### b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,171	665	9,256	1,532
The People's Republic of China (incl. Hong Kong)	3,672	3,851	15,271	14,775
	<u>5,843</u>	<u>4,516</u>	<u>24,527</u>	<u>16,307</u>

(Loss)/Profit before tax	Individual quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Malaysia	(76,133)	(1,274)	(78,165)	(6,337)
The People's Republic of China (incl. Hong Kong)	10,411	19,589	(14,276)	21,052
United Arab Emirates	(2,198)	(3,245)	(9,851)	(15,526)
	<u>(67,920)</u>	<u>15,070</u>	<u>(102,292)</u>	<u>(811)</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 2018. The decrease arising from the valuations amounted to RM0.1 million has been incorporated into the financial statements during the quarter under review.

## A.10 Material Subsequent Events

On 13 February 2019, the Company had entered into a Share Sale Agreement with National Trading & Developing Est. to dispose off the entire 50% equity interest in Integrated National Logistics DWC-LLC for a total purchase consideration of United Arab Emirates ("UAE") Dirhams ("AED") 45.0 million or approximately RM50.4 million.

## 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 RM82.5 million, and to a jointly controlled entity amounted to RM17.6 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 RM0.2 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 year ended 31 December 2018, the Group posted a revenue of RM24.5 million which was 50.4% higher than the revenue of RM16.3 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 RM102.3 million for the current financial year as compared to the pre-tax loss for the corresponding period in the preceding year of RM0.8 million. The increase in pre-tax loss of RM101.5 million for the current financial year was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in share of losses from Associate	(22.0)
Provision for impairment loss on investment in an Associate	(7.5)
Decrease in other income	(3.4)
Increase in operating costs	(1.4)
Increase in finance costs	(1.1)
ii) <u>Malaysia</u>	
Provision for impairment loss on amount owing by a Jointly Controlled Entity	(63.1)
Increase in operating costs	(9.6)
Increase in profit in tandem with the increase in revenue	5.7
Increase in finance costs	(2.6)
Decrease in other income	(2.5)
Increase in share of profit from Associate	0.3
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	5.7
	<u>(101.5)</u>

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

For the current quarter ended 31 December 2018, the Group posted a revenue of RM5.8 million which was 29.4% higher than the revenue of RM4.5 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 RM67.9 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM15.1 million. The increase in pre-tax loss of RM83.0 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 losses from Associate	(21.7)
Reversal of impairment loss on investment in an Associate	13.1
Decrease in other income	(1.0)
Decrease in operating costs	0.4
ii) <u>Malaysia</u>	
Provision for impairment loss on amount owing by a Jointly Controlled Entity	(63.1)
Increase in operating costs	(11.3)
Increase in profit in tandem with the increase in revenue	0.9
Decrease in other income	(0.8)
Increase in finance costs	(0.7)
Increase in share of profit from Associate	0.2
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.0
	<u>(83.0)</u>

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

	Individual quarter 3 months ended		% changes
	31.12.18 RM'000	30.09.18 RM'000	
Revenue	<u>5,843</u>	<u>6,181</u>	-5.5%
Loss before tax	<u>(67,920)</u>	<u>(26,593)</u>	-155.4%

The Group recorded a revenue of RM5.8 million for the current quarter, which was 5.5% lower than the revenue recorded for the immediate preceding quarter. The lower revenue was mainly due to the revenue decrease from the warehousing & related value added services segment of the Group's operations in the People's Republic of China.

The Group recorded a pre-tax loss of RM67.9 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM26.6 million. The increase in pre-tax loss of RM41.3 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Reversal of impairment loss on investment in an Associate	32.0
Decrease in operating costs	2.1
Increase in share of losses from Associate	(0.4)
Decrease in finance costs	0.1
Decrease in other income	(0.1)
ii) <u>Malaysia</u>	
Provision for impairment loss on amount owing by a Jointly Controlled Entity	(63.1)
Increase in operating costs	(12.4)
Increase in share of profit from Associate	0.1
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	0.4
	<u>(41.3)</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 Group had on 13 February 2019 announced that it had entered into a Share Sale Agreement with National Trading & Developing Est. to dispose of the loss making investment in Integrated National Logistics DWC-LLC. The proceeds from the proposed disposal will contribute towards the funding for the Group's expansion plan which may include (but not limited to) solar renewable energy projects.

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

The Group has successfully commissioned 11 MW a.c. solar power plant in Malaysia, generating revenue since December 2017. With the experience gained in the solar power plant installations, the Group will continue to pursue investments in solar renewable energy projects.

## 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 31.12.2018 RM'000	Current financial year-to-date ended 31.12.2018 RM'000
Tax expense comprises :-		
Current income tax	(229)	248
Deferred tax	(830)	(508)
Tax expense for the financial period/year	<u>(1,059)</u>	<u>(260)</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 31 December 2018 are as follows:-

	Current financial quarter ended 31.12.2018	Current financial year-to-date ended 31.12.2018
	RM'000	RM'000
Loss before tax	<u>(67,920)</u>	<u>(102,292)</u>
Tax at Malaysian statutory income tax rate of 24%	(16,301)	(24,550)
Different tax rates in other countries	(321)	1,539
Adjustments:		
Share of results of associates	(330)	(45)
Share of results of a jointly controlled entity	527	2,364
Tax effect on non-taxable revenue	921	(120)
Tax effect on non-deductible expenses	15,344	21,036
Deferred tax assets not recognised during the financial year	9	231
Utilisation of deferred tax assets not recognized in prior financial years	(279)	(339)
(Over)/Under provision in prior year		
- income tax	(69)	153
- deferred tax	(560)	(529)
Income tax expense recognised in profit or loss	<u><b>(1,059)</b></u>	<u><b>(260)</b></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 on the Main Market of Bursa Securities for 17,000,000 Placement Shares at an issue price of RM0.797 per share with total placement proceeds amounting to RM13,549,000.

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation amount RM'000	Explanation
Acquisition of lands to situate future large scale solar photovoltaic ("LSSPV") plants	10,000	-	NA	
Studies and preparation of bid submissions for additional LSSPV plants	2,800	-	NA	
Working capital	549	1,302	753	Amount incurred on system enhancement work for solar plant in Kedah
Estimated expenses relating to the Proposed Placement	200	182	(18)	Based on actual invoices
<b>Total</b>	<b>13,549</b>	<b>1,484</b>		

\* NA - Not applicable yet

The proceeds have not yet been utilized by the Company pending suitable opportunities to invest further in solar renewable energy activities.

## B.7 Group Borrowings and Debt Securities

	As at 31.12.2018					
	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
<b>Secured :-</b>						
Term loans						
- USD	27,927	-	11,171	-	39,098	-
- RM	-	42,468	-	4,656	-	47,124
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	8,340	-	35,287	-	43,627	-
	36,267	42,468	46,458	4,656	82,725	47,124

**B.7 Group Borrowings and Debt Securities (cont'd)**

	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
<b>Secured :-</b>						
Term loans						
- USD	38,264	-	10,933	-	49,197	-
- RM	-	46,101	-	2,180	-	48,281
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	8,179	-	31,771	-	39,950	-
	46,443	46,101	42,704	2,180	89,147	48,281

**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)/Earnings Per Share ("EPS")**

	Individual Quarter		Cumulative Quarters	
	3 months ended 31.12.18	31.12.17	12 months ended 31.12.18	31.12.17
(Loss)/Profit attributable to owners of the Company (RM'000)	(70,405)	7,770	(98,285)	(9,664)
Weighted average number of ordinary shares for basic EPS ('000)	189,526	189,737	189,684	185,313
<b>Basic EPS (sen)</b>	<u>(37.1)</u>	<u>4.1</u>	<u>(51.8)</u>	<u>(5.2)</u>

## B.12 Loss Before Tax

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

	<b>Current financial quarter ended 31.12.2018</b>	<b>Current financial year-to-date ended 31.12.2018</b>
	RM'000	RM'000
Amortisation of intangible assets	33	130
Amortisation of land use rights	91	389
Auditors' remuneration		
- statutory audit	164	237
Accrued interest from shareholders loan written off	11,683	11,683
Bad debts written off	645	645
Depreciation of property, plant and equipment	1,817	7,411
Directors' remuneration		
- fees	36	356
- other emoluments	450	1,794
Fair value gain on short term fund	(16)	(16)
Gain on disposal of property, plant and equipment	-	(52)
Government subsidies	-	(41)
(Reversal)/Impairment loss on investment in an associate	(11,419)	9,198
Impairment loss on amount owing by a jointly controlled entity	63,096	63,096
Income distribution from short term fund	(77)	(444)
Interest expense	1,913	7,743
Interest income	(46)	(295)
Loss/(Gain) on foreign exchange		
- realised	43	132
- unrealised	(200)	2,018
Loss on disposal of other investments	-	34
Planting income	(4)	(16)
Property, plant and equipment written off	3	3
Rental income on land	-	(11)
Rental income on warehouse	(414)	(1,654)
Rental of equipment	4	13
Rental of warehouse and office buildings	197	775
Reversal of employee benefits	(7)	(7)
Staff costs		
- Contribution to defined contribution plan	55	184
- Salaries and others	1,608	4,309

## 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  
28 February 2019