

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		% changes	Cumulative quarters		% changes
	3 months ended			6 months ended		
	30.06.19	30.06.18		30.06.19	30.06.18	
	RM'000	RM'000		RM'000	RM'000	
Revenue	6,457	6,239	3.5%	13,092	12,503	4.7%
Operating costs	(5,551)	(7,985)		(11,280)	(11,570)	
Other income	524	628		1,190	1,366	
Profit/(Loss) from operations	1,430	(1,118)	227.9%	3,002	2,299	30.6%
Finance costs	(1,823)	(2,030)		(3,642)	(3,787)	
Share of results of						
Associates	(557)	(431)		(1,410)	(1,226)	
Jointly controlled entity	-	(2,510)		(1,273)	(5,065)	
Loss before tax	(950)	(6,089)	84.4%	(3,323)	(7,779)	57.3%
Tax expense	(86)	(238)		(78)	(457)	
Loss for the financial period	<u>(1,036)</u>	<u>(6,327)</u>	83.6%	<u>(3,401)</u>	<u>(8,236)</u>	58.7%
Attributable to:						
Owners of the Company	(1,359)	(5,197)		(3,904)	(8,096)	
Non-controlling interests	323	(1,130)		503	(140)	
Loss for the financial period	<u>(1,036)</u>	<u>(6,327)</u>		<u>(3,401)</u>	<u>(8,236)</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 2018.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(1,036)	(6,327)	(3,401)	(8,236)
Other comprehensive income/(loss), net of tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	2,254	5,265	248	(1,707)
Total other comprehensive income/(loss) for the financial period, net of tax	2,254	5,265	248	(1,707)
Total comprehensive income/(loss) for the financial period	<u>1,218</u>	<u>(1,062)</u>	<u>(3,153)</u>	<u>(9,943)</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(14)	(137)	(3,803)	(9,078)
Non-controlling interests	1,232	(925)	650	(865)
Total comprehensive income/(loss) for the financial period	<u>1,218</u>	<u>(1,062)</u>	<u>(3,153)</u>	<u>(9,943)</u>
Basic loss per share attributable to owners of the Company (sen)	<u>(0.7)</u>	<u>(2.7)</u>	<u>(2.1)</u>	<u>(4.3)</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 2018.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.19 RM'000	As at 31.12.18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	238,268	237,964
Land use rights	14,991	15,138
Capital work-in-progress	-	3,331
Intangible assets	2,400	2,465
Interest in associates	39,167	41,988
Interest in a jointly controlled entity	-	21,359
Other investments	270	270
Amount owing by a jointly controlled entity	-	19,407
	295,096	341,922
Current assets		
Trade receivables	851	833
Other receivables, deposits and prepayments	4,149	1,947
Amount owing by a jointly controlled entity	-	4,980
Tax assets	95	309
Short term fund	11,103	4,392
Cash & cash equivalents	22,769	29,154
	38,967	41,615
Assets of disposal group classified as held for sale	44,451	-
	83,418	41,615
TOTAL ASSETS	378,514	383,537
EQUITY AND LIABILITIES		
Equity		
Share capital	225,671	225,671
Reserves	(33,523)	(29,720)
Treasury shares	(4,797)	(4,797)
Total equity attributable to owners of the Company	187,351	191,154
Non-controlling interests	51,982	51,332
Total equity	239,333	242,486
Non-current liabilities		
Long term borrowings	67,791	75,616
Deferred tax liabilities	1,932	1,944
	69,723	77,560
Current liabilities		
Trade payables	171	80
Other payables, deposits and accruals	13,508	8,992
Short term borrowings	55,637	54,234
Tax liabilities	142	185
	69,458	63,491
Total Liabilities	139,181	141,051
	378,514	383,537

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 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	30.06.19	30.06.18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax,	(3,323)	(7,779)
Adjustments for :-		
Amortisation of intangible assets	65	65
Amortisation of land use rights	189	198
Depreciation of property, plant and equipment	3,724	3,697
Gain on disposal of property, plant and equipment	-	(52)
Income distribution from short term fund	(121)	(244)
Interest expense	3,642	3,787
Interest income	(155)	(162)
Loss on disposal of other investments	-	34
Share of results of associates	1,410	1,226
Share of results of a jointly controlled entity	1,273	5,065
Unrealised loss on foreign exchange	-	559
Operating profit before working capital changes	<u>6,704</u>	<u>6,394</u>
Changes in working capital :-		
Receivables	(2,024)	2,784
Payables	4,147	(2,991)
Net cash flows generated from operations	<u>8,827</u>	<u>6,187</u>
Interest paid	(3,184)	(3,560)
Tax paid	(164)	(1,466)
Tax refunded	47	-
Net cash flows from operating activities	<u>5,526</u>	<u>1,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional interests in a subsidiary	-	(400)
Advances to a jointly controlled entity	-	(5,423)
Capital repayments from associates	1,500	-
Capital work-in-progress incurred	(286)	(816)
Interest received	276	414
Net (placement)/withdrawal of short term fund	(6,711)	246
Placement of fixed deposits	(6)	(5)
Proceeds from disposal of other investments	-	98
Proceeds from disposal of property, plant and equipment	-	52
Purchase of property, plant and equipment	(61)	(721)
Withdrawal of fixed deposits	866	216
Net cash flows used in investing activities	<u>(4,422)</u>	<u>(6,339)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	2,396
Drawdown of unsecured loan from a corporate shareholder	1,268	1,454
Repayments of term loan	(7,918)	(6,693)
Net cash flows used in financing activities	<u>(6,650)</u>	<u>(2,843)</u>
Net decrease in cash and cash equivalents	<u>(5,546)</u>	<u>(8,021)</u>
Effects of exchange rate changes on cash and cash equivalents	22	688
Cash and cash equivalents at the beginning of the financial period	28,293	32,831
Cash and cash equivalents at the end of the financial period	<u><u>22,769</u></u>	<u><u>25,498</u></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 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Non-Distributable----->					<-----Distributable----->				
	Share capital RM'000	Asset revaluation reserve RM'000	Foreign exchange translation 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	Total equity RM'000
6 months ended 30 June 2019										
At 01.01.19	225,671	3,755	32,737	218	9,876	(4,797)	(76,306)	191,154	51,332	242,486
Comprehensive income/(loss)										
(Loss)/Profit for the financial period	-	-	-	-	-	-	(3,904)	(3,904)	503	(3,401)
Other comprehensive income										
Exchange differences on translation of foreign operations	-	-	101	-	-	-	-	101	147	248
Total other comprehensive income for the financial period	-	-	101	-	-	-	-	101	147	248
Total comprehensive income/(loss) for the financial period	-	-	101	-	-	-	(3,904)	(3,803)	650	(3,153)
Transaction with owners	-	-	-	-	-	-	-	-	-	-
At 30.06.19	225,671	3,755	32,838	218	9,876	(4,797)	(80,210)	187,351	51,982	239,333
6 months ended 30 June 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	-	-	-	-	-	-	(8,096)	(8,096)	(140)	(8,236)
Other comprehensive loss										
Exchange differences on translation of foreign operations	-	-	(918)	(1)	(63)	-	-	(982)	(725)	(1,707)
Total other comprehensive loss for the financial period	-	-	(918)	(1)	(63)	-	-	(982)	(725)	(1,707)
Total comprehensive loss for the financial period	-	-	(918)	(1)	(63)	-	(8,096)	(9,078)	(865)	(9,943)
Transaction with owners										
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	(217)	(217)	(183)	(400)
At 30.06.18	225,671	3,798	33,335	190	9,813	(4,384)	13,922	282,345	56,526	338,871

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 2018.

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 2018.

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 2018 except for the following:

Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 11	Joint Arrangements
Amendments to MFRS 112	Income Taxes
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 123	Borrowing Costs
Amendments to MFRS 128	Investments in Associate and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

The above pronouncements are either not relevant or do not have any material impact on the interim financial statements of the Group upon their initial application. The Group has adopted the relevant standards from 1 January 2019 with practical expedients permitted under the standards. Comparatives for 2018 are not restated.

The Group have not adopted the following new MFRSs, Amendments to MFRSs and Amendments to IC Interpretation that have been issued but yet to be effective:

		Effective for annual periods beginning on or after
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 2020 */1 January 2021 #
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 2021 #
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
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 */1 January 2021 #
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 116	Property, Plant and Equipment	1 January 2021 #
Amendments to MFRS 119	Employee Benefits	1 January 2021 #
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred/1 January 2021 #
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 */1 January 2021 #
Amendments to MFRS 138	Intangible Assets	1 January 2020 */1 January 2021 #
Amendments to MFRS 140	Investment Property	1 January 2021 #
Amendments to IC Interpretation 12	Service Concession Arrangements	1 January 2020 *

A.1 Accounting Policies (cont'd)

The Group have not adopted the following new MFRSs, Amendments to MFRSs and Amendments to IC Interpretation that have been issued but yet to be effective: (cont'd)

		Effective for annual periods beginning on or after
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 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 June 2019, 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

	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
3 months ended 30.06.2019				
External revenue	4,014	93	2,350	6,457
Segment profit	472	3	306	781
3 months ended 30.06.2018				
External revenue	3,858	103	2,278	6,239
Segment (loss)/profit	(2,319)	(1)	352	(1,968)
	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
6 months ended 30.06.2019				
External revenue	7,879	160	5,053	13,092
Segment profit	804	7	974	1,785
6 months ended 30.06.2018				
External revenue	7,493	177	4,833	12,503
Segment (loss)/profit	(160)	8	955	803
Reconciliation of reportable segment profit/(loss)	Individual quarter 3 months ended	Individual quarter 3 months ended	Cumulative quarters 6 months ended	Cumulative quarters 6 months ended
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Total profit/(loss) from reportable segments	781	(1,968)	1,785	803
Other non-reportable segments	(1,174)	(1,180)	(2,425)	(2,291)
Share of results of associates	(557)	(431)	(1,410)	(1,226)
Share of results of a jointly controlled entity	-	(2,510)	(1,273)	(5,065)
Consolidated loss before tax	(950)	(6,089)	(3,323)	(7,779)

b. By Geographical Location

External revenue	Individual quarter 3 months ended		Cumulative quarters 6 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,350	2,278	5,053	4,833
The People's Republic of China (incl. Hong Kong)	4,107	3,961	8,039	7,670
	6,457	6,239	13,092	12,503
Loss before tax	Individual quarter 3 months ended	Individual quarter 3 months ended	Cumulative quarters 6 months ended	Cumulative quarters 6 months ended
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Malaysia	(863)	(805)	(1,429)	(1,294)
The People's Republic of China (incl. Hong Kong)	(87)	(2,774)	(621)	(1,420)
United Arab Emirates	-	(2,510)	(1,273)	(5,065)
	(950)	(6,089)	(3,323)	(7,779)

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

On 2 July 2019, the Company had completed the Share Sale Agreement dated 13 February 2019 entered into with National Trading & Developing Est. for the disposal of entire 50% equity interest in Integrated National Logistics DWC-LLC ("SSA") 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 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 ("SSA") for a total purchase consideration of United Arab Emirates ("UAE") Dirhams ("AED") 45.0 million or approximately RM50.4 million upon the terms and conditions stated in the Agreement ("Proposed Disposal").

On 17 April 2019, the shareholders of the Company have approved the Proposed Disposal at the EGM.

On 15 May 2019, the conditions precedent under the SSA have been fulfilled. The Proposed Disposal is expected to be completed within 30 days from the fulfillment of the conditions precedent.

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 RM74.9 million.

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

A.13 Capital Commitment

As at the end of the reporting quarter, the Group has capital commitments totalling RM21.7 million in respect of the acquisition of a freehold vacant land at Bandar Sungai Petani, Kedah.

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 June 2019, the Group posted a revenue of RM13.1 million which was 4.7% higher than the revenue of RM12.5 million for the corresponding period in the preceding year. The higher revenue was mainly due to revenue increase from the warehousing & related value added services segment of the Group's operations in the People's Republic of China and the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM3.3 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM7.8 million. The decrease in pre-tax loss of RM4.5 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in operating costs	0.5
Increase in profit in tandem with the increase in revenue	0.4
Increase in share of losses from Associate	(0.2)
Decrease in finance costs	0.1
ii) <u>Malaysia</u>	
Decrease in other income	(0.2)
Decrease in finance costs	0.1
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	3.8
	<u>4.5</u>

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

For the current quarter ended 30 June 2019, the Group posted a revenue of RM6.5 million which was 3.5% higher than the revenue of RM6.2 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to revenue increase from the warehousing & related value added services segment of the Group's operations in the People's Republic of China and the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM1.0 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM6.1 million. The decrease in pre-tax loss of RM5.1 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in operating costs	2.3
Increase in profit in tandem with the increase in revenue	0.4
Increase in share of losses from Associate	(0.1)
Decrease in finance costs	0.1
ii) <u>Malaysia</u>	
Decrease in other income	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	2.5
	<u>5.1</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Individual quarter 3 months ended		% changes
	30.06.19 RM'000	31.03.19 RM'000	
Revenue	<u>6,457</u>	<u>6,635</u>	-2.7%
Loss before tax	<u>(950)</u>	<u>(2,373)</u>	60.0%

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 2.7% from RM6.6 million to RM6.5 million. 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 RM1.0 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM2.4 million. The decrease in pre-tax loss of RM1.4 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in share of losses from Associate	0.3
Increase in profit in tandem with the increase in revenue	0.2
Decrease in other income	(0.1)
ii) <u>Malaysia</u>	
Increase in losses in tandem with the decrease in revenue	(0.2)
Decrease in other income	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.3
	<u>1.4</u>

B.3 Prospects

In view of the current global economic conditions, the Board foresees the market conditions will continue to remain challenging for the year.

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.

With the completion of the disposal of the Jointly Controlled Entity in Dubai, the proceeds from the disposal will contribute towards the funding for the Group's expansion plans which may include (but not limited to) 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 30.06.2019 RM'000	Current financial year-to-date ended 30.06.2019 RM'000
Tax expense comprises :-		
Current income tax	94	94
Deferred tax	(8)	(16)
Tax expense for the financial period	<u>86</u>	<u>78</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 30 June 2019 are as follows:-

	Current financial quarter ended 30.06.2019 RM'000	Current financial year-to-date ended 30.06.2019 RM'000
Loss before tax	<u>(950)</u>	<u>(3,323)</u>
Tax at Malaysian statutory income tax rate of 24%	(228)	(798)
Different tax rates in other countries	397	431
Adjustments:		
Share of results of associates	(1)	(5)
Share of results of a jointly controlled entity	-	306
Tax effect on non-taxable revenue	(191)	(409)
Tax effect on non-deductible expenses	52	618
Deferred tax assets not recognised during the financial period	147	222
Utilisation of deferred tax assets not recognised in prior financial years	(85)	(282)
Over provision in prior year		
- income tax	(5)	(5)
Tax expense recognised in profit or loss	<u>86</u>	<u>78</u>

B.6 Status of Corporate Proposals

- a. 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.

The status of utilisation of proceeds raised from the Private Placement are as follows:-

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	2,456	(7,544)	10% deposit and legal fees on acquisition of a freehold vacant land at Bandar Sungai Petani, Kedah
Studies and preparation of bid submissions for additional LSSPV plants	2,800	94	(2,706)	Amount incurred on studies and preparation of bid submissions for additional LSSPV plants
Working capital	549	1,746	1,197	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
Total	13,549	4,478		

- b. On 17 June 2019, IL Power Sdn Bhd, an indirect wholly-owned subsidiary of ILB had entered into a Sale and Purchase Agreement ("SPA") with Kai Sik Latex Products Sdn Bhd to acquire a freehold vacant agriculture land situated in Bandar Sungai Petani, Daerah Kuala Muda, Kedah, measuring 78.92 hectares on an as is where is basis but subject to the endorsement by Tenaga Nasional Berhad on the Land vide presentation number 5748/2007, conditions of title whether express or implied contained in the document of title and the terms and conditions as contained in the SPA for a total cash consideration of RM24.2 million.

B.7 Group Borrowings and Debt Securities

	As at 30.06.2019					
	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	22,405	-	11,203	-	33,608	-
- RM	-	40,150	-	4,650	-	44,800
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	5,236	-	39,784	-	45,020	-
	27,641	40,150	50,987	4,650	78,628	44,800

	As at 30.06.2018					
	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	32,719	-	10,906	-	43,625	-
- RM	-	44,798	-	4,646	-	49,444
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	8,127	-	33,870	-	41,997	-
	40,846	44,798	44,776	4,646	85,622	49,444

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 6 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Loss attributable to owners of the Company (RM'000)	(1,359)	(5,197)	(3,904)	(8,096)
Weighted average number of ordinary shares for basic EPS ('000)	188,900	189,737	188,900	189,737
Basic EPS (sen)	<u>(0.7)</u>	<u>(2.7)</u>	<u>(2.1)</u>	<u>(4.3)</u>

B.12 Loss Before Tax

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

	Current financial quarter ended 30.06.2019	Current financial year-to-date ended 30.06.2019
	RM'000	RM'000
Amortisation of intangible assets	32	65
Amortisation of land use rights	95	189
Auditors' remuneration		
- statutory audit	25	48
Depreciation of property, plant and equipment	1,872	3,724
Directors' remuneration		
- fees	87	159
- other emoluments	450	900
Income distribution from short term fund	(62)	(121)
Interest expense	1,823	3,642
Interest income	(63)	(155)
Gain on foreign exchange		
- realised	(34)	(34)
Planting income	(3)	(5)
Rental income on warehouse	(399)	(812)
Rental of equipment	6	10
Rental of warehouse and office buildings	192	385
Staff costs		
- Contribution to defined contribution plan	38	79
- Salaries and others	887	1,743

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 August 2019