

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		% changes	Cumulative quarters		% changes
	3 months ended			12 months ended		
	31.12.19	31.12.18		31.12.19	31.12.18	
	RM'000	RM'000		RM'000	RM'000	
Continuing operations						
Revenue	2,237	2,240	-0.1%	9,735	9,584	1.6%
Operating costs	(5,829)	(67,069)		(16,023)	(97,763)	
Other income	1,726	609		3,403	2,583	
Gain on disposal of non-current assets held for sale	23,984	-		25,443	-	
Profit/(Loss) from operations	22,118	(64,220)	134.4%	22,558	(85,596)	126.4%
Finance costs	(1,185)	(1,186)		(4,700)	(4,736)	
Share of results of Associates	(1,625)	(1,302)		(3,747)	(3,056)	
Jointly controlled entity	-	(2,198)		(1,273)	(9,851)	
Profit/(Loss) before tax	19,308	(68,906)	128.0%	12,838	(103,239)	112.4%
Tax (expense)/credit	(146)	857		(147)	312	
Profit/(Loss) from continuing operations	19,162	(68,049)	128.2%	12,691	(102,927)	112.3%
Discontinued operations						
(Loss)/Profit from discontinued operations, net of tax	(1,237)	1,170		956	877	
Profit/(Loss) for the financial period/year	17,925	(66,879)	126.8%	13,647	(102,050)	113.4%
Attributable to:						
Owners of the Company						
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(4,025)	(71,113)		(10,896)	(98,943)	
- Gain on disposal of non-current assets held for sale)	23,984	-		25,443	-	
	19,959	(71,113)		14,547	(98,943)	
- From discontinued operations	(374)	695		720	645	
	19,585	(70,418)		15,267	(98,298)	
Non-controlling interests	(1,660)	3,539		(1,620)	(3,752)	
Profit/(Loss) for the financial period/year	17,925	(66,879)		13,647	(102,050)	

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		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period/year	17,925	(66,879)	13,647	(102,050)
Other comprehensive income/(loss), net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation of warehouse and office buildings	3,303	(94)	3,303	(94)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(2,946)	617	(4,767)	(3,771)
Reclassification adjustment for the cumulative exchange gain on translation of financial statements of foreign operations transferred to profit or loss upon disposal of a jointly controlled entity	(24,843)	-	(24,843)	-
Total other comprehensive (loss)/income for the financial period/year, net of tax	(24,486)	523	(26,307)	(3,865)
Total comprehensive loss for the financial period/year	<u>(6,561)</u>	<u>(66,356)</u>	<u>(12,660)</u>	<u>(105,915)</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(5,657)	(70,080)	(11,056)	(99,857)
Non-controlling interests	(904)	3,724	(1,604)	(6,058)
Total comprehensive loss for the financial period/year	<u>(6,561)</u>	<u>(66,356)</u>	<u>(12,660)</u>	<u>(105,915)</u>
Basic earnings/(loss) per share attributable to owners of the Company (sen)				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(2.1)	(37.5)	(5.8)	(52.1)
- Gain on disposal of non-current assets held for sale	12.7	-	13.5	-
	10.6	(37.5)	7.7	(52.1)
- From discontinued operations	(0.2)	0.3	0.4	0.3
	<u>10.4</u>	<u>(37.2)</u>	<u>8.1</u>	<u>(51.8)</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 31.12.19 RM'000	As at 31.12.18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	114,019	237,964
Land use rights	-	15,138
Capital work-in-progress	-	3,331
Intangible assets	2,335	2,465
Interest in associates	33,788	41,988
Interest in a jointly controlled entity	-	21,359
Other investments	270	270
Long term receivables	30,233	-
Amount owing by a jointly controlled entity	-	19,407
	180,645	341,922
Current assets		
Trade receivables	781	833
Other receivables, deposits and prepayments	13,817	1,947
Amount owing by a jointly controlled entity	-	4,980
Tax assets	52	309
Short term fund	2,762	4,392
Cash & cash equivalents	21,908	29,154
	39,320	41,615
Assets of disposal group classified as held for sale	138,547	-
	177,867	41,615
	358,512	383,537
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Share capital	225,671	225,671
Reserves	(40,776)	(29,720)
Treasury shares	(4,797)	(4,797)
Total equity attributable to owners of the Company	180,098	191,154
Non-controlling interests	49,728	51,332
Total equity	229,826	242,486
Non-current liabilities		
Long term borrowings	56,164	75,616
Deferred tax liabilities	752	1,944
	56,916	77,560
Current liabilities		
Trade payables	277	80
Other payables, deposits and accruals	1,681	8,992
Finance lease payables	642	-
Short term borrowings	20,878	54,234
Tax liabilities	146	185
	23,624	63,491
Liabilities of disposal group classified as held for sale	48,146	-
	71,770	63,491
	128,686	141,051
Total Liabilities	358,512	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

	12 months ended	
	31.12.19	31.12.18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	12,838	(103,239)
Profit before tax from discontinued operations	1,197	929
Profit/(Loss) before tax, total	<u>14,035</u>	<u>(102,310)</u>
Adjustments for :-		
Amortisation of intangible assets	130	130
Amortisation of land use rights	-	389
Amortisation of right-of-use assets	1,002	-
Depreciation of property, plant and equipment	7,420	7,411
Fair value gain on other investments	(116)	(16)
Gain on disposal of non-current assets held for sale	(25,443)	-
Gain/(Loss) on disposal of other investments	(105)	34
Gain on disposal of property, plant and equipment	-	(52)
Impairment loss on interest in an associate	1,107	8,829
Income distribution from other investments	(269)	(444)
Interest expense	7,218	7,743
Interest income	(263)	(295)
Property, plant and equipment written off	30	3
(Reversal)/Expected credit loss for amount owing by a jointly controlled entity	(865)	75,425
Reversal of provision for employee benefits	(14)	(7)
Share of results of associates	3,747	3,056
Share of results of a jointly controlled entity	1,273	9,851
Unrealised loss on foreign exchange	756	1,928
Operating profit before working capital changes	<u>9,643</u>	<u>11,675</u>
Changes in working capital :-		
Receivables	(1,460)	4,836
Payables	164	(3,586)
Net cash flows generated from operations	<u>8,347</u>	<u>12,925</u>
Interest paid	(7,146)	(7,589)
Tax paid	(115)	(1,427)
Tax refunded	114	-
Net cash flows from operating activities	1,200	3,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional interests in a subsidiary	-	(400)
Advances to a jointly controlled entity	-	(13,883)
Capital repayments from associate	1,500	-
Capital work-in-progress incurred	(279)	(860)
Interest received	532	739
Net placement of short term fund	1,851	16,056
Placement of fixed deposits	(6)	(28)
Proceeds from disposal of non-current assets held for sale	4,298	-
Proceeds from disposal of other investments	-	98
Proceeds from disposal of property, plant and equipment	-	52
Purchase of property, plant and equipment	(152)	(999)
Withdrawal of fixed deposits	866	216
Net cash flows from investing activities	8,610	991
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	18,669	2,396
Drawdown of unsecured loan from a corporate shareholder	2,059	3,257
Interest paid	(44)	-
Payment of lease liabilities	(612)	-
Repayments of term loans	(15,112)	(12,569)
Repayments of unsecured loan from a corporate shareholder	(18,442)	-
Treasury shares repurchased	-	(413)
Net cash flows used in financing activities	(13,482)	(7,329)
Net decrease in cash and cash equivalents	(3,672)	(2,429)
Effects of exchange rate changes on cash and cash equivalents	(1,332)	(2,109)
Cash and cash equivalents at the beginning of the financial year	28,293	32,831
Cash and cash equivalents at the end of the financial year	23,289	28,293

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				Total equity RM'000
	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	
12 months ended 31 December 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)										
Profit/(Loss) for the financial year	-	-	-	-	-	-	15,267	15,267	(1,620)	13,647
Other comprehensive income/(loss)										
Revaluation of warehouse and office buildings	-	1,503	-	-	-	-	-	1,503	1,800	3,303
Exchange differences on translation of foreign operations	-	-	(2,983)	-	-	-	-	(2,983)	(1,784)	(4,767)
Reclassification to profit or loss upon disposal of a jointly controlled entity	-	-	(24,843)	-	-	-	-	(24,843)	-	(24,843)
Total other comprehensive income/(loss) for the financial year	-	1,503	(27,826)	-	-	-	-	(26,323)	16	(26,307)
Total comprehensive income/(loss) for the financial year	-	1,503	(27,826)	-	-	-	15,267	(11,056)	(1,604)	(12,660)
Transaction with owners										
Transfer to statutory reserve fund	-	-	-	24	-	-	(24)	-	-	-
At 31.12.19	225,671	5,258	4,911	242	9,876	(4,797)	(61,063)	180,098	49,728	229,826
12 months ended 31 December 2018										
At 01.01.18	225,671	3,798	34,253	192	9,876	(4,384)	22,235	291,641	57,573	349,214
Comprehensive loss										
Loss for the financial year	-	-	-	-	-	-	(98,298)	(98,298)	(3,752)	(102,050)
Other comprehensive loss										
Revaluation of warehouse and office buildings	-	(43)	-	-	-	-	-	(43)	(51)	(94)
Exchange differences on translation of foreign operations	-	-	(1,516)	-	-	-	-	(1,516)	(2,255)	(3,771)
Total other comprehensive loss for the financial year	-	(43)	(1,516)	-	-	-	-	(1,559)	(2,306)	(3,865)
Total comprehensive loss for the financial year	-	(43)	(1,516)	-	-	-	(98,298)	(99,857)	(6,058)	(105,915)
Transaction with owners										
Transfer to statutory reserve fund	-	-	-	26	-	-	(26)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	(217)	(217)	(183)	(400)
Treasury shares purchased	-	-	-	-	-	(413)	-	(413)	-	(413)
Total transactions with owners	-	-	-	26	-	(413)	(243)	(630)	(183)	(813)
At 31.12.18	225,671	3,755	32,737	218	9,876	(4,797)	(76,306)	191,154	51,332	242,486

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:

New MFRS, Amendments and Annual Improvements to Standards and new IC Interpretation ("IC Int") 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 has not adopted the following new MFRSs and Amendments/Improvements to MFRSs 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 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 7	Financial Instruments: Disclosures	1 January 2020/1 January 2021 #
Amendments to MFRS 9	Financial Instruments	1 January 2020/1 January 2021 #
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
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 136	Impairment of Assets	1 January 2021 #
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2021 #
Amendments to MFRS 138	Intangible Assets	1 January 2021 #
Amendments to MFRS 139	Financial instruments: Recognition and Measurement	1 January 2020
Amendments to MFRS 140	Investment Property	1 January 2021 #

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

The directors expect that the adoption of the new MFRSs and Amendments/Improvements to MFRSs above will not have any impact on the interim financial report in the year of initial application.

A.2 Qualification of Preceding Annual Financial Statements

The audit report of the Company's most recent annual financial statements was reported without qualification.

A.3 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A.4 Unusual Material Event

There were no material unusual events affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A.5 Material Changes in Estimates

There were no significant changes in estimates of amounts reported which would have a material effect in the current financial quarter under review.

A.6 Debts and Equity Securities

During the current financial quarter, the Company had not repurchased any ordinary shares of its issued share capital from the open market. As at 31 December 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 31.12.2019				
External revenue				
- From continuing operations	-	123	2,114	2,237
- From discontinued operations	4,113	-	-	4,113
	<u>4,113</u>	<u>123</u>	<u>2,114</u>	<u>6,350</u>
Segment (loss)/profit				
- From continuing operations	(1,881)	(1)	208	(1,674)
- From discontinued operations	(1,190)	-	-	(1,190)
	<u>(3,071)</u>	<u>(1)</u>	<u>208</u>	<u>(2,864)</u>
3 months ended 31.12.2018				
External revenue				
- From continuing operations	-	69	2,171	2,240
- From discontinued operations	3,603	-	-	3,603
	<u>3,603</u>	<u>69</u>	<u>2,171</u>	<u>5,843</u>
Segment (loss)/profit				
- From continuing operations	(9,781)	4	205	(9,572)
- From discontinued operations	968	-	-	968
	<u>(8,813)</u>	<u>4</u>	<u>205</u>	<u>(8,604)</u>

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

	Warehousing & related value added services RM'000	Transportation & distribution RM'000	Solar energy & related businesses RM'000	Consolidated RM'000
12 months ended 31.12.2019				
External revenue				
- From continuing operations	-	401	9,334	9,735
- From discontinued operations	16,056	-	-	16,056
	<u>16,056</u>	<u>401</u>	<u>9,334</u>	<u>25,791</u>
Segment (loss)/profit				
- From continuing operations	(4,392)	10	1,375	(3,007)
- From discontinued operations	1,197	-	-	1,197
	<u>(3,195)</u>	<u>10</u>	<u>1,375</u>	<u>(1,810)</u>
12 months ended 31.12.2018				
External revenue				
- From continuing operations	-	328	9,256	9,584
- From discontinued operations	14,943	-	-	14,943
	<u>14,943</u>	<u>328</u>	<u>9,256</u>	<u>24,527</u>
Segment (loss)/profit				
- From continuing operations	(11,989)	9	1,355	(10,625)
- From discontinued operations	929	-	-	929
	<u>(11,060)</u>	<u>9</u>	<u>1,355</u>	<u>(9,696)</u>

Reconciliation of reportable segment (loss)/profit

	Individual quarter 3 months ended		Cumulative quarters 12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RM'000	RM'000	RM'000	RM'000
Total (loss)/profit from reportable segments				
- From continuing operations	(1,674)	(9,572)	(3,007)	(10,625)
- From discontinued operations	(1,190)	968	1,197	929
Other non-reportable segments	22,607	(55,834)	20,865	(79,707)
Share of results of associates	(1,625)	(1,302)	(3,747)	(3,056)
Share of results of a jointly controlled entity	-	(2,198)	(1,273)	(9,851)
Consolidated profit/(loss) before tax	<u>18,118</u>	<u>(67,938)</u>	<u>14,035</u>	<u>(102,310)</u>

b. By Geographical Location

External revenue	Individual quarter 3 months ended		Cumulative quarters 12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,114	2,171	9,334	9,256
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	123	69	401	328
- From discontinued operations	4,113	3,603	16,056	14,943
	<u>6,350</u>	<u>5,843</u>	<u>25,791</u>	<u>24,527</u>

Profit/(Loss) before tax

	Individual quarter 3 months ended		Cumulative quarters 12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RM'000	RM'000	RM'000	RM'000
Malaysia	22,834	(76,133)	22,294	(78,165)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(3,526)	9,425	(8,183)	(15,223)
- From discontinued operations	(1,190)	968	1,197	929
United Arab Emirates	-	(2,198)	(1,273)	(9,851)
	<u>18,118</u>	<u>(67,938)</u>	<u>14,035</u>	<u>(102,310)</u>

A.9 Discontinued Operations

On 19 December 2019, Integrated Logistics (H.K.) Limited, an indirect 70%-owned subsidiary of ILB, had entered into a conditional Share Sale Agreement with SWJ CN Logiport Pte. Ltd. to dispose off the entire 65% equity interest in Integrated Etern Logistics (Suzhou) Co. Limited ("IEL Suzhou") for a total purchase consideration of RMB283.4 million or approximately RM167.9 million.

In accordance with MFRS 5: Non-Current Assets Held For Sale and Discontinued Operations, IEL Suzhou is classified as disposal group held for sale/discontinued operations. The results and cash flow of the disposal group were classified as "Discontinued Operations" in the Condensed Consolidated Statement of Comprehensive Income.

(Loss)/Profit attributable to the discontinued operations were as follows:-

	Individual quarter		%	Cumulative quarters		%
	3 months ended			12 months ended		
	31.12.19	31.12.18	changes	31.12.19	31.12.18	changes
	RM'000	RM'000		RM'000	RM'000	
Revenue	4,113	3,603	14.2%	16,056	14,943	7.4%
Operating costs	(4,794)	(1,910)		(12,374)	(11,066)	
Other income	8	2		33	59	
(Loss)/Profit from operations	(673)	1,695	-139.7%	3,715	3,936	-5.6%
Finance costs	(517)	(727)		(2,518)	(3,007)	
(Loss)/Profit before tax	(1,190)	968	-222.9%	1,197	929	28.8%
Tax (expense)/credit	(47)	202		(241)	(52)	
(Loss)/Profit for the financial period/year	(1,237)	1,170	-205.7%	956	877	9.0%

The cash flows attributable to the discontinued operations are as follows:

	Cumulative quarters	
	12 months ended	
	31.12.19	31.12.18
	RM'000	RM'000
Operating cash flows	4,010	2,491
Investing cash flows	(385)	(744)
Financing cash flows	(4,411)	(2,811)
	<u>(786)</u>	<u>(1,064)</u>

A.10 Valuations of Property, Plant and Equipment

The warehouse buildings were valued based on valuations performed by an independent registered valuer as at 31 December 2019. The increase arising from the valuations amounted to RM3.3 million (RM4.4 million net of deferred tax liabilities impact of RM1.1 million) has been incorporated into the financial statements during the quarter under review.

A.11 Material Subsequent Events

There is no material event subsequent to the end of the period under review.

A.12 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.

On 19 December 2019, Integrated Logistics (H.K.) Limited, an indirect 70%-owned subsidiary of ILB, had entered into a conditional Share Sale Agreement with SWJ CN Logiport Pte. Ltd. to dispose off the entire 65% equity interest in Integrated Etern Logistics (Suzhou) Co. Limited for a total purchase consideration of RMB283.4 million or approximately RM167.9 million ("Proposed IEL Suzhou Disposal").

The Company has convened an EGM to be held on 10 March 2020 in relation to the Proposed IEL Suzhou Disposal.

A.13 Disposal of Non-Current Assets Held For Sale

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") on 2 July 2019. Gain arising from this disposal was RM25.4 million, resulting in a consolidated profit for the financial year of RM13.6 million. Had there been no gain arising from this disposal, the Group shall record a consolidated loss for the financial year of RM11.8 million.

A.14 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 RM66.8 million.

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

A.15 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

Continuing operations

For the current financial period ended 31 December 2019, the Group posted a revenue of RM9.7 million which was 1.6% higher than the revenue of RM9.6 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 and the transportation & distribution segment of the Group's operations in the People's Republic of China.

The Group posted a pre-tax profit of RM12.8 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM103.2 million. The increase in pre-tax profit of RM116.0 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Net provision for impairment loss on interest in an Associate in prior year	7.7
Increase in share of losses from Associate	(0.6)
Decrease in operating costs	0.2
Decrease in other income	(0.1)
ii) <u>Malaysia</u>	
Expected credit loss for amount owing by a Jointly Controlled Entity in prior year	75.4
Gain on disposal of non-current assets held for sale	25.4
Increase in operating costs	(1.4)
Reversal of expected credit loss for amount owing by a Jointly Controlled Entity	0.9
Decrease in share of profit from Associate	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	8.6
	<u>116.0</u>

Discontinued operations

For the current financial period ended 31 December 2019, the Group posted a revenue of RM16.1 million which was 7.4% higher than the revenue of RM14.9 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.

The Group posted a pre-tax profit of RM1.2 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM0.9 million. The increase in pre-tax profit of RM0.3 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 finance costs	0.5
Increase in operating costs	(0.2)
	<u>0.3</u>

B.1 Review of Performance (cont'd)

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

Continuing operations

For the current quarter ended 31 December 2019, the Group posted a revenue of RM2.237 million which was 0.1% lower than the revenue of RM2.240 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue decrease from the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax profit of RM19.3 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM68.9 million. The increase in pre-tax profit of RM88.2 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 interest in an Associate in prior year	(11.8)
Provision for impairment loss on interest in an Associate	(1.1)
Increase in share of losses from Associate	(0.2)
Decrease in operating costs	0.2
ii) <u>Malaysia</u>	
Expected credit loss for amount owing by a Jointly Controlled Entity in prior year	75.4
Gain on disposal of non-current assets held for sale	23.9
Increase in operating costs	(1.4)
Reversal of expected credit loss for amount owing by a Jointly Controlled Entity	0.9
Increase in other income	0.2
Decrease in share of profit from Associate	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	2.2
	<u>88.2</u>

Discontinued operations

For the current quarter ended 31 December 2019, the Group posted a revenue of RM4.1 million which was 14.2% higher than the revenue of RM3.6 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.

The Group posted a pre-tax loss of RM1.2 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM1.0 million. The increase in pre-tax loss of RM2.2 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Increase in operating costs	(2.4)
Decrease in finance costs	0.2
	<u>(2.2)</u>

B.2 Comparison With Immediate Preceding Quarter's Results

	Individual quarter 3 months ended		% changes
	31.12.19 RM'000	30.09.19 RM'000	
Revenue			
- From continuing operations	2,237	2,285	
- From discontinued operations	4,113	4,064	
	<u>6,350</u>	<u>6,349</u>	0.0%
Profit/(Loss) before tax			
- From continuing operations	19,308	(760)	
- From discontinued operations	(1,190)	-	
	<u>18,118</u>	<u>(760)</u>	2483.9%

Compared to the immediate preceding quarter, the Group's revenue recorded an insignificant increase from RM6.350 million to RM6.349 million. The higher revenue was mainly due to the revenue increase 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 profit of RM18.1 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM0.8 million. The increase in pre-tax profit of RM18.9 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 interest in an Associate	(1.1)
Increase in operating costs	(1.2)
Increase in share of losses from Associate	(0.9)
Decrease in finance costs	0.2
ii) <u>Malaysia</u>	
Net gain on disposal of non-current assets held for sale	23.3
Increase in operating costs	(1.6)
Increase in other income	0.2
	<u>18.9</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 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 31.12.2019 RM'000	Current financial year-to-date ended 31.12.2019 RM'000
Tax expense comprises :-		
<u>Continuing operations</u>		
Current income tax		
- based on results of the financial period/year	1	30
- under provision in prior year	4	(1)
Deferred tax		
- origination and reversal of temporary differences	122	99
- under provision in prior year	19	19
<u>Discontinued operations</u>		
Current income tax		
- based on results of the financial period/year	(26)	168
- under provision in prior year	73	73
Tax expense for the financial period/year	<u>193</u>	<u>388</u>

B.5 Tax Expense (cont'd)

Reconciliation between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial period ended 31 December 2019 are as follows:-

	Current financial quarter ended 31.12.2019	Current financial year-to-date ended 31.12.2019
	RM'000	RM'000
Profit before tax from continuing operations	19,308	12,838
(Loss)/Profit before tax from discontinued operations	(1,190)	1,197
Total profit before tax	<u>18,118</u>	<u>14,035</u>
Tax at Malaysian statutory income tax rate of 24%	4,348	3,368
Different tax rates in other countries	343	1,005
Adjustments:		
Share of results of associates	(5)	(13)
Share of results of a jointly controlled entity	-	306
Tax effect on non-taxable revenue	(5,840)	(6,466)
Tax effect on non-deductible expenses	1,395	2,321
Deferred tax assets not recognised during the financial year	27	316
Utilisation of deferred tax assets not recognised in prior financial years	(171)	(540)
Under provision in prior year		
- income tax	77	72
- deferred tax	19	19
Tax expense recognised in profit or loss	<u>193</u>	<u>388</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	Intended timeframe for utilisation RM'000	Deviation amount RM'000	Explanation
Acquisition of lands to situate future large scale solar photovoltaic ("LSSPV") plants and part finance of investment costs of future solar power projects	10,000	2,530	Within 48 months from completion of Private Placement	-	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	800	283	- " -	-	Amount incurred on studies and preparation of bid submissions for additional LSSPV plants
Working capital	2,567	1,910	- " -	-	Amount incurred on system enhancement work for solar plant in Kedah
Estimated expenses relating to the Proposed Placement	182	182	-	-	Based on actual invoices
Total	13,549	4,905			

* On 21 November 2019, the Board of Directors of ILB had passed a resolution to approve the variation of utilisation of proceeds, utilisation purpose and extended the intended timeframe for utilisation to within 48 months from the completion of Private Placement.

- 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

Continuing operations

	As at 31.12.2019					
	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						
- HKD	-	18,396	-	-	-	18,396
- RM	-	37,768	-	4,695	-	42,463
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	-	-	16,183	-	16,183	-
	-	56,164	16,183	4,695	16,183	60,859

	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
Secured :-						
Term loans						
- USD	27,927	-	11,171	-	39,098	-
- RM	-	42,468	-	4,657	-	47,125
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	5,221	-	38,406	-	43,627	-
	33,148	42,468	49,577	4,657	82,725	47,125

Discontinued operations (included in "Liabilities of disposal group classified as held for sale")

	As at 31.12.2019					
	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	16,577	-	11,052	-	27,629	-
Unsecured :-						
Loan from a non-controlling shareholder						
- HKD	-	-	10,693	-	10,693	-
	16,577	-	21,745	-	38,322	-

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

	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Profit/(Loss) attributable to owners of the Company (RM'000)				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(4,025)	(71,113)	(10,896)	(98,943)
- Gain on disposal of non-current assets held for sale	23,984	-	25,443	-
	19,959	(71,113)	14,547	(98,943)
- From discontinued operations	(374)	695	720	645
	<u>19,585</u>	<u>(70,418)</u>	<u>15,267</u>	<u>(98,298)</u>
Weighted average number of ordinary shares for basic EPS ('000)	188,900	189,526	188,900	189,684
Basic EPS (sen)				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(2.1)	(37.5)	(5.8)	(52.1)
- Gain on disposal of non-current assets held for sale	12.7	-	13.5	-
	10.6	(37.5)	7.7	(52.1)
- From discontinued operations	(0.2)	0.3	0.4	0.3
	<u>10.4</u>	<u>(37.2)</u>	<u>8.1</u>	<u>(51.8)</u>

B.12 Profit Before Tax

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

	Current financial quarter ended 31.12.2019	Current financial year-to-date ended 31.12.2019
	RM'000	RM'000
Amortisation of intangible assets	33	130
Amortisation of right-of-use assets	627	1,002
Auditors' remuneration		
- statutory audit	174	248
Depreciation of property, plant and equipment	1,821	7,420
Directors' remuneration		
- fees	79	318
- other emoluments	628	1,892
Fair value gain on other investments	(116)	(116)
Gain on disposal of non-current assets held for sale	(23,984)	(25,443)
Gain on disposal of other investments	(105)	(105)
Impairment loss on interest in an associate	1,107	1,107
Income distribution from short term fund	(79)	(269)
Interest expense	1,702	7,218
Interest income	(52)	(263)
(Gain)/Loss on foreign exchange		
- realised	(22)	36
- unrealised	246	756
Planting income	-	(8)
Property, plant and equipment written off	-	30
Rental income on warehouse	(399)	(1,609)
Rental of equipment	2	16
Rental of office buildings	-	57
Reversal of expected credit loss for amount owing by a Jointly Controlled Entity	(865)	(865)
Reversal of provision for employee benefits	(14)	(14)
Staff costs		
- Contribution to defined contribution plan	43	161
- Salaries and others	2,963	5,593

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 2020