

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual quarter		% changes	Cumulative quarter		% changes
	3 months ended			3 months ended		
	31.03.20	31.03.19		31.03.20	31.03.19	
	RM'000	RM'000		RM'000	RM'000	
<b>Continuing operations</b>						
Revenue	2,672	2,770	-3.5%	2,672	2,770	-3.5%
Operating costs	(4,081)	(3,603)		(4,081)	(3,603)	
Other income	1,610	613		1,610	613	
<b>Profit/(Loss) from operations</b>	<b>201</b>	<b>(220)</b>	191.4%	<b>201</b>	<b>(220)</b>	191.4%
Finance costs	(966)	(1,100)		(966)	(1,100)	
Share of results of						
Associates	(1,384)	(853)		(1,384)	(853)	
Jointly controlled entity	-	(1,273)		-	(1,273)	
<b>Loss before tax</b>	<b>(2,149)</b>	<b>(3,446)</b>	37.6%	<b>(2,149)</b>	<b>(3,446)</b>	37.6%
Tax credit	8	8		8	8	
<b>Loss from continuing operations</b>	<b>(2,141)</b>	<b>(3,438)</b>	37.7%	<b>(2,141)</b>	<b>(3,438)</b>	37.7%
<b>Discontinued operation</b>						
(Loss)/Profit from discontinued operation, net of tax	(224)	1,073		(224)	1,073	
<b>Loss for the financial period</b>	<b>(2,365)</b>	<b>(2,365)</b>	0.0%	<b>(2,365)</b>	<b>(2,365)</b>	0.0%
<b>Attributable to:</b>						
Owners of the Company						
- From continuing operations	(1,489)	(3,062)		(1,489)	(3,062)	
- From discontinued operation	(19)	517		(19)	517	
	(1,508)	(2,545)		(1,508)	(2,545)	
Non-controlling interests	(857)	180		(857)	180	
<b>Loss for the financial period</b>	<b>(2,365)</b>	<b>(2,365)</b>		<b>(2,365)</b>	<b>(2,365)</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 2019.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
<b>Loss for the financial period</b>	<b>(2,365)</b>	<b>(2,365)</b>	<b>(2,365)</b>	<b>(2,365)</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	4,616	(2,006)	4,616	(2,006)
<b>Total other comprehensive income/(loss) for the financial period, net of tax</b>	<b>4,616</b>	<b>(2,006)</b>	<b>4,616</b>	<b>(2,006)</b>
<b>Total comprehensive income/(loss) for the financial period</b>	<b>2,251</b>	<b>(4,371)</b>	<b>2,251</b>	<b>(4,371)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	1,054	(3,789)	1,054	(3,789)
Non-controlling interests	1,197	(582)	1,197	(582)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>2,251</b>	<b>(4,371)</b>	<b>2,251</b>	<b>(4,371)</b>
<b>Basic loss per share attributable to owners of the Company (sen)</b>				
- From continuing operations	(0.8)	(1.6)	(0.8)	(1.6)
- From discontinued operation	(0.0)	0.3	(0.0)	0.3
	<b>(0.8)</b>	<b>(1.3)</b>	<b>(0.8)</b>	<b>(1.3)</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 2019.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31.03.20 RM'000	As at 31.12.19 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	138,176	114,019
Intangible assets	2,303	2,336
Interest in associates	33,778	33,834
Other investments	270	270
Long term receivables	28,219	30,233
	<b>202,746</b>	<b>180,692</b>
<b>Current assets</b>		
Trade receivables	882	781
Other receivables, deposits and prepayments	11,890	13,817
Tax assets	64	52
Other investments	3,893	2,762
Cash & cash equivalents	41,847	21,908
	58,576	39,320
Assets of a disposal group classified as held for sale	142,503	138,546
	<b>201,079</b>	<b>177,866</b>
<b>TOTAL ASSETS</b>	<b>403,825</b>	<b>358,558</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	225,671	225,671
Reserves	(39,690)	(40,744)
Treasury shares	(4,797)	(4,797)
<b>Total equity attributable to owners of the Company</b>	<b>181,184</b>	<b>180,130</b>
<b>Non-controlling interests</b>	50,939	49,742
<b>Total equity</b>	<b>232,123</b>	<b>229,872</b>
<b>Non-current liabilities</b>		
Long term borrowings	66,037	56,164
Deferred tax liabilities	744	752
	<b>66,781</b>	<b>56,916</b>
<b>Current liabilities</b>		
Trade payables	324	277
Other payables, deposits and accruals	1,879	1,682
Finance lease payables	484	-
Short term borrowings	31,855	21,520
Tax liabilities	143	146
	34,685	23,625
Liabilities of a disposal group classified as held for sale	70,236	48,145
	<b>104,921</b>	<b>71,770</b>
<b>Total Liabilities</b>	<b>171,702</b>	<b>128,686</b>
	<b>403,825</b>	<b>358,558</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 2019.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended</b>	
	<b>31.03.30</b>	<b>31.03.19</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(2,149)	(3,446)
(Loss)/Profit before tax from discontinued operation	(224)	1,073
Loss before tax,	<u>(2,373)</u>	<u>(2,373)</u>
Adjustments for :-		
Amortisation of intangible assets	33	33
Amortisation of land use rights	-	94
Amortisation of right-of-use assets	251	-
Depreciation of property, plant and equipment	1,896	1,852
Income distribution from other investments	(43)	(59)
Interest expense	1,218	1,819
Interest income	(203)	(92)
Share of results of associates	1,384	853
Share of results of a jointly controlled entity	-	1,273
Unrealised gain on foreign exchange	(724)	-
Operating profit before working capital changes	<u>1,439</u>	<u>3,400</u>
Changes in working capital :-		
Receivables	2,074	(321)
Payables	23	4,546
Net cash generated from operations	<u>3,536</u>	<u>7,625</u>
Interest paid	(1,076)	(1,308)
Tax paid	(66)	(51)
Tax refunded	-	47
<b>Net cash from operating activities</b>	<b><u>2,394</u></b>	<b><u>6,313</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress incurred	-	(284)
Cash received from amount owing by a third party receivable	3,780	-
Interest received	246	262
Net placement of short term fund	(1,693)	(9,349)
Placement of fixed deposits	-	(6)
Proceeds from disposal of other investments	562	-
Purchase of property, plant and equipment	(5,450)	(16)
Withdrawal of fixed deposits	-	866
<b>Net cash used in investing activities</b>	<b><u>(2,555)</u></b>	<b><u>(8,527)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	60,397	-
Payment of lease liabilities	(158)	-
Repayments of term loans	(29,609)	(3,935)
Repayments of unsecured loan from a corporate shareholder	(11,006)	-
<b>Net cash from/(used in) financing activities</b>	<b><u>19,624</u></b>	<b><u>(3,935)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>19,463</u></b>	<b><u>(6,149)</u></b>
Effects of exchange rate changes on cash and cash equivalents	432	(156)
Cash and cash equivalents at the beginning of the financial period	23,289	28,293
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>43,184</u></b>	<b><u>21,988</u></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 2019.

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
<b>3 months ended 31 March 2020</b>										
At 01.01.20	225,671	5,258	4,928	242	9,876	(4,797)	(61,048)	180,130	49,742	229,872
<b>Comprehensive loss</b>										
Loss for the financial period	-	-	-	-	-	-	(1,508)	(1,508)	(857)	(2,365)
<b>Other comprehensive income</b>										
Exchange differences on translation of foreign operations	-	-	2,562	-	-	-	-	2,562	2,054	4,616
<b>Total other comprehensive income for the financial period</b>	-	-	2,562	-	-	-	-	2,562	2,054	4,616
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	2,562	-	-	-	(1,508)	1,054	1,197	2,251
Transaction with owners	-	-	-	-	-	-	-	-	-	-
At 31.03.20	<b>225,671</b>	<b>5,258</b>	<b>7,490</b>	<b>242</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(62,556)</b>	<b>181,184</b>	<b>50,939</b>	<b>232,123</b>
<b>3 months ended 31 March 2019</b>										
At 01.01.19	225,671	3,755	32,737	218	9,876	(4,797)	(76,306)	191,154	51,332	242,486
<b>Comprehensive loss</b>										
(Loss)/Profit for the financial period	-	-	-	-	-	-	(2,545)	(2,545)	180	(2,365)
<b>Other comprehensive loss</b>										
Exchange differences on translation of foreign operations	-	-	(1,244)	-	-	-	-	(1,244)	(762)	(2,006)
<b>Total other comprehensive loss for the financial period</b>	-	-	(1,244)	-	-	-	-	(1,244)	(762)	(2,006)
<b>Total comprehensive loss for the financial period</b>	-	-	(1,244)	-	-	-	(2,545)	(3,789)	(582)	(4,371)
Transaction with owners	-	-	-	-	-	-	-	-	-	-
At 31.03.19	<b>225,671</b>	<b>3,755</b>	<b>31,493</b>	<b>218</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(78,851)</b>	<b>187,365</b>	<b>50,750</b>	<b>238,115</b>

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 2019.

**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 2019.

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 2019 except for the following:

The amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
Amendments to MFRS 139	Financial instruments: Recognition and Measurement

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 2020 with practical expedients permitted under the standards. Comparatives for 2019 are not restated.

The Group have not adopted the following new MFRS 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 2023
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 #
Amendments to MFRS 3	Business Combinations	1 January 2023 #
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 #
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2023 #
Amendments to MFRS 9	Financial Instruments	1 January 2023 #
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 15	Revenue from Contracts with Customers	1 January 2023 #
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2022/1 January 2023 #
Amendments to MFRS 107	Statements of Cash Flows	1 January 2023 #
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2023 #
Amendments to MFRS 119	Employee Benefits	1 January 2023 #
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred/1 January 2023 #
Amendments to MFRS 132	Financial instruments: Presentation	1 January 2023 #
Amendments to MFRS 136	Impairment of Assets	1 January 2023 #
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 #
Amendments to MFRS 138	Intangible Assets	1 January 2023 #
Amendments to MFRS 140	Investment Property	1 January 2023 #

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

The directors expect that the adoption of the new MFRS 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 March 2020, 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	Transportation & distribution	Solar energy & related businesses	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31.03.2020</b>				
External revenue				
- From continuing operations	0	100	2,572	2,672
- From discontinued operation	4,325	0	0	4,325
	<u>4,325</u>	<u>100</u>	<u>2,572</u>	<u>6,997</u>
Segment (loss)/profit				
- From continuing operations	0	9	658	667
- From discontinued operation	(224)	0	0	(224)
	<u>(224)</u>	<u>9</u>	<u>658</u>	<u>443</u>
<b>3 months ended 31.03.2019</b>				
External revenue				
- From continuing operations	0	67	2,703	2,770
- From discontinued operation	3,865	0	0	3,865
	<u>3,865</u>	<u>67</u>	<u>2,703</u>	<u>6,635</u>
Segment (loss)/profit				
- From continuing operations	(741)	4	668	(69)
- From discontinued operation	1,073	0	0	1,073
	<u>332</u>	<u>4</u>	<u>668</u>	<u>1,004</u>
<b>Reconciliation of reportable segment loss</b>				
	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.20</b>	<b>31.03.19</b>	<b>31.03.20</b>	<b>31.03.19</b>
	RM'000	RM'000	RM'000	RM'000
Total profit/(loss) from reportable segments				
- From continuing operations	667	(69)	667	(69)
- From discontinued operation	(224)	1,073	(224)	1,073
Other non-reportable segments	(1,432)	(1,251)	(1,432)	(1,251)
Share of results of associates	(1,384)	(853)	(1,384)	(853)
Share of results of a jointly controlled entity	-	(1,273)	-	(1,273)
Consolidated loss before tax	<u>(2,373)</u>	<u>(2,373)</u>	<u>(2,373)</u>	<u>(2,373)</u>

## A.8 Operating Segments (cont'd)

### b. By Geographical Location

External revenue	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,572	2,703	2,572	2,703
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	100	67	100	67
- From discontinued operation	4,325	3,865	4,325	3,865
	<u>6,997</u>	<u>6,635</u>	<u>6,997</u>	<u>6,635</u>

Loss before tax	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Malaysia	234	(566)	234	(566)
The People's Republic of China (incl. Hong Kong)	(2,607)	(534)	(2,607)	(534)
United Arab Emirates	-	(1,273)	-	(1,273)
	<u>(2,373)</u>	<u>(2,373)</u>	<u>(2,373)</u>	<u>(2,373)</u>

## A.9 Discontinued Operation

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 operation were as follows:-

	Individual/Cumulative quarter		% changes
	3 months ended		
	31.03.20	31.03.19	
	RM'000	RM'000	
Revenue	4,325	3,865	11.9%
Operating costs	(4,313)	(2,126)	
Other income	17	53	
<b>Profit from operation</b>	<u>29</u>	<u>1,792</u>	-98.4%
Finance costs	(253)	(719)	
<b>(Loss)/Profit before tax</b>	<u>(224)</u>	<u>1,073</u>	-120.9%
Tax expense	-	-	
<b>(Loss)/Profit for the financial period</b>	<u>(224)</u>	<u>1,073</u>	-120.9%

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

	Cumulative quarter	
	3 months ended	
	31.03.20	31.03.19
	RM'000	RM'000
Operating cash flows	(1,362)	2,047
Investing cash flows	(1)	(287)
Financing cash flows	(40)	(2,772)
Effects of exchange rate changes on cash and cash equivalents	1,282	-
	<u>(121)</u>	<u>(1,012)</u>



#### **A.10 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.

The increase in valuation of RM3.3 million from the immediate preceding quarter in relation to the warehouse buildings owned by Integrated Etern Logistics (Suzhou) Co. Limited is included in the assets of a disposal group classified as held for sale.

#### **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 19 December 2019, Integrated Logistics (H.K.) Limited ("ILHK"), an indirect 70%-owned subsidiary of ILB, had entered into a conditional Share Sale Agreement ("SPA") 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 RMB217.2 million or approximately RM128.7 million ("Proposed IEL Suzhou Disposal").

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

On 1 April 2020, ILHK has completed the Closing of the Proposed IEL Suzhou Disposal. At Closing, the Purchaser paid 90% of the Preliminary Purchase Price, settled the RHB Loan and Shareholders' Loans pursuant to the SPA.

The Proposed IEL Suzhou Disposal is expected to complete in 3rd quarter of 2020.

#### **A.13 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 subsidiary amounted to RM38.1 million.

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

#### **A.14 Capital Commitment**

There is no capital commitment has been approved and contracted as at the end of the reporting quarter.

## B. Explanatory Notes As Per Bursa Malaysia - Listing Requirements Chapter 9.22 of Part K

### B.1 Review of Performance

#### Continuing operations

For the current quarter ended 31 March 2020, the Group posted a revenue of RM2.7 million which was 3.5% lower than the revenue of RM2.8 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 loss of RM2.1 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM3.4 million. The decrease in pre-tax loss of RM1.3 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	(0.5)
Increase in operating costs	(0.4)
Decrease in finance costs	0.2
Decrease in other income	(0.1)
ii) <u>Malaysia</u>	
Decrease in operating costs	0.8
Increase in other income	0.1
Increase in finance costs	(0.1)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.3
	<u>1.3</u>

#### Discontinued operations

For the current quarter ended 31 March 2020, the Group posted a revenue of RM4.3 million which was 11.9% higher than the revenue of RM3.9 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 RM0.2 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM1.1 million. The increase in pre-tax loss of RM1.3 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	(1.8)
Decrease in finance costs	0.5
	<u>(1.3)</u>

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

	Individual quarter 3 months ended		% changes
	31.03.20 RM'000	31.12.19 RM'000	
Revenue			
- From continuing operations	2,672	2,237	
- From discontinued operations	4,325	4,113	
	<u>6,997</u>	<u>6,350</u>	10.2%
Profit/(Loss) before tax			
- From continuing operations	(2,149)	19,308	
- From discontinued operations	(224)	(1,190)	
	<u>(2,373)</u>	<u>18,118</u>	-113.1%

Compared to the immediate preceding quarter, the Group's revenue recorded an increase of 10.2% from RM6.4 million to RM7.0 million. The higher revenue was mainly due to the revenue increase from the solar energy & related business segment of the Group's operations in Malaysia and 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 RM2.4 million for the current quarter as compared to the immediate preceding quarter's pre-tax profit of RM18.1 million. The increase in pre-tax loss of RM20.5 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Provision for impairment loss on interest in an Associate in prior year	1.1
Decrease in finance costs	0.5
Decrease in share of losses from Associate	0.2
Increase in profit in tandem with the increase in revenue	0.2
Increase in other income	0.1
ii) <u>Malaysia</u>	
Gain on disposal of non-current assets held for sale in prior year	(24.0)
Increase in operating costs	1.9
Increase in profit in tandem with the increase in revenue	0.5
Decrease in other income	(1.0)
	<u>(20.5)</u>

## B.3 Prospects

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

The Group has successfully commissioned 11 MW a.c. solar power plant in Malaysia, generating revenue since December 2017. The Covid-19 pandemic and the Movement Control Order ("MCO") have minimal impact on the Group's solar businesses and operations.

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 Credit

	Current financial quarter ended 31.03.2020 RM'000	Current financial year-to-date ended 31.03.2020 RM'000
Tax credit comprises :-		
<u>Continuing operations</u>		
Current income tax		
- based on results of the financial period/year	-	-
Deferred tax		
- origination and reversal of temporary differences	(8)	(8)
Tax credit for the financial period	<u>(8)</u>	<u>(8)</u>

## B.5 Tax Credit (cont'd)

### Reconciliation between tax credit and accounting loss

The reconciliation between tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial period ended 31 March 2020 are as follows:-

	Current financial quarter ended 31.03.2020	Current financial year-to-date ended 31.03.2020
	RM'000	RM'000
Loss before tax from continuing operations	(2,149)	(2,149)
Loss before tax from discontinued operation	(224)	(224)
Loss before tax	<u>(2,373)</u>	<u>(2,373)</u>
Tax at Malaysian statutory income tax rate of 24%	(570)	(570)
Different tax rates in other countries	97	97
Adjustments:		
Share of results of associates	(4)	(4)
Share of results of a jointly controlled entity	-	-
Tax effect on non-taxable revenue	(280)	(280)
Tax effect on non-deductible expenses	675	675
Deferred tax assets not recognised during the financial period	274	274
Utilisation of deferred tax assets not recognised in prior financial years	(200)	(200)
Tax credit recognised in profit or loss	<u>(8)</u>	<u>(8)</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	5,433	Within 48 months from completion of Private Placement	-	Balance purchase price 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	298	- " -	-	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
<b>Total</b>	<b>13,549</b>	<b>7,823</b>			

\* 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 5 March 2020, IL Power Sdn Bhd, an indirect wholly-owned subsidiary of ILB had completed the Sale and Purchase Agreement dated 17 June 2019 entered into 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 for a total cash consideration of RM24.2 million.

## B.7 Group Borrowings and Debt Securities

### Continuing operations

	As at 31.03.2020					
	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						
- HKD	19,471	-	-	-	19,471	-
- RM	-	46,566	-	14,727	-	61,293
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	-	-	17,128	-	17,128	-
	19,471	46,566	17,128	14,727	36,599	61,293

	As at 31.03.2019					
	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
<b>Secured :-</b>						
Term loans						
- USD	24,763	-	11,006	-	35,769	-
- RM	-	41,305	-	4,657	-	45,962
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	5,144	-	37,839	-	42,983	-
	29,907	41,305	48,845	4,657	78,752	45,962

## B.8 Financial Instruments

### a. Derivatives

There were no outstanding derivatives (including instruments designated as hedging instruments) in the current financial quarter under review.

### b. Gains/(losses) arising from fair value changes in financial liabilities

There were no gain/(loss) arising from the fair value changes in financial liabilities in the current financial quarter under review.

## B.9 Material Litigation

As at the date of this announcement, there were no material changes in litigations since the last annual reporting date.

## B.10 Dividend Payable

No dividend is payable as at the end of the financial quarter.

**B.11 Loss Per Share ("EPS")**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
(Loss)/Profit attributable to owners of the Company (RM'000)				
- From continuing operations	(1,489)	(3,062)	(1,489)	(3,062)
- From discontinued operation	(19)	517	(19)	517
	<u>(1,508)</u>	<u>(2,545)</u>	<u>(1,508)</u>	<u>(2,545)</u>
Weighted average number of ordinary shares for basic EPS ('000)	188,900	188,900	188,900	188,900
<b>Basic EPS (sen)</b>				
- From continuing operations	(0.8)	(1.6)	(0.8)	(1.6)
- From discontinued operation	(0.0)	0.3	(0.0)	0.3
	<u>(0.8)</u>	<u>(1.3)</u>	<u>(0.8)</u>	<u>(1.3)</u>

**B.12 Loss Before Tax**

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

	Current financial quarter ended 31.03.2020	Current financial year-to-date ended 31.03.2020
	RM'000	RM'000
Amortisation of intangible assets	33	33
Amortisation of right-of-use assets	251	251
Auditors' remuneration		
- statutory audit	26	26
Depreciation of property, plant and equipment	1,896	1,896
Directors' remuneration		
- fees	80	80
- other emoluments	376	376
Expense relating to low value assets	4	4
Gain on foreign exchange		
- realised	(19)	(19)
- unrealised	(724)	(724)
Income distribution from other investments	(43)	(43)
Interest expense	1,218	1,218
Interest income	(203)	(203)
Rental income on land	(8)	(8)
Rental income on warehouse	(398)	(398)
Staff costs		
- Salaries and others	746	746
- Contribution to defined contribution plan	34	34

**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  
17 June 2020