

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual quarter		% changes	Cumulative quarters		% changes
	3 months ended	3 months ended		6 months ended	6 months ended	
	30.06.20	30.06.19		30.06.20	30.06.19	
	RM'000	RM'000		RM'000	RM'000	
<b>Continuing operations</b>						
Revenue	1,892	2,443	-22.6%	4,564	5,213	-12.4%
Operating costs	(11,828)	(3,526)		(15,909)	(7,129)	
Other income	1,009	527		2,619	1,140	
Gain on disposal of non-current assets held for sale	59,364	-		59,364	-	
<b>Profit/(Loss) from operations</b>	<b>50,437</b>	<b>(556)</b>	nm	<b>50,638</b>	<b>(776)</b>	nm
Finance costs	(1,044)	(1,150)		(2,010)	(2,250)	
Share of results of Associates	(321)	(557)		(1,705)	(1,410)	
Jointly controlled entity	-	-		-	(1,273)	
<b>Profit/(Loss) before tax</b>	<b>49,072</b>	<b>(2,263)</b>	nm	<b>46,923</b>	<b>(5,709)</b>	nm
Tax credit	8	(12)		16	(4)	
<b>Profit/(Loss) from continuing operations</b>	<b>49,080</b>	<b>(2,275)</b>	nm	<b>46,939</b>	<b>(5,713)</b>	nm
<b>Discontinued operation</b>						
(Loss)/Profit from discontinued operation, net of tax	(180)	1,239		(404)	2,312	
<b>Profit/(Loss) for the financial period</b>	<b>48,900</b>	<b>(1,036)</b>	nm	<b>46,535</b>	<b>(3,401)</b>	nm

\* nm - not meaningful

**Attributable to:**

Owners of the Company						
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(7,556)	(1,955)		(9,045)	(5,017)	
- Gain on disposal of non-current assets held for sale	40,755	-		40,755	-	
	33,199	(1,955)		31,710	(5,017)	
- From discontinued operation	(84)	596		(103)	1,113	
	33,115	(1,359)		31,607	(3,904)	
Non-controlling interests	15,785	323		14,928	503	
<b>Profit/(Loss) for the financial period</b>	<b>48,900</b>	<b>(1,036)</b>		<b>46,535</b>	<b>(3,401)</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		Cumulative quarters	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.06.20	30.06.19	30.06.20	30.06.19
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) for the financial period</b>	<b>48,900</b>	<b>(1,036)</b>	<b>46,535</b>	<b>(3,401)</b>
<b>Other comprehensive (loss)/income, net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(727)	2,254	3,889	248
Reclassification adjustment of foreign exchange translation reserve upon disposal of non-current assets held for sale	1,494	-	1,494	-
<b>Total other comprehensive income for the financial period, net of tax</b>	<b>767</b>	<b>2,254</b>	<b>5,383</b>	<b>248</b>
<b>Total comprehensive income/(loss) for the financial period</b>	<b>49,667</b>	<b>1,218</b>	<b>51,918</b>	<b>(3,153)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	33,988	(14)	35,042	(3,803)
Non-controlling interests	15,679	1,232	16,876	650
<b>Total comprehensive income/(loss) for the financial period</b>	<b>49,667</b>	<b>1,218</b>	<b>51,918</b>	<b>(3,153)</b>
<b>Basic earnings/(loss) per share attributable to owners of the Company (sen)</b>				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(4.0)	(1.0)	(4.8)	(2.7)
- Gain on disposal of non-current assets held for sale	21.6	-	21.6	-
	17.6	(1.0)	16.8	(2.7)
- From discontinued operation	(0.1)	0.3	(0.1)	0.6
	<b>17.5</b>	<b>(0.7)</b>	<b>16.7</b>	<b>(2.1)</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 30.06.20 RM'000	As at 31.12.19 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	137,112	114,019
Intangible assets	2,271	2,336
Interest in associates	33,276	33,834
Other investments	270	270
Long term receivables	24,405	30,233
	<b>197,334</b>	<b>180,692</b>
<b>Current assets</b>		
Trade receivables	656	781
Other receivables, deposits and prepayments	17,382	13,817
Tax assets	75	52
Other investments	1,897	2,762
Cash & cash equivalents	134,850	21,908
	154,860	39,320
Assets of a disposal group classified as held for sale	-	138,546
	<b>154,860</b>	<b>177,866</b>
<b>TOTAL ASSETS</b>	<b>352,194</b>	<b>358,558</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	225,671	225,671
Reserves	(5,850)	(40,744)
Treasury shares	(4,797)	(4,797)
<b>Total equity attributable to owners of the Company</b>	<b>215,024</b>	<b>180,130</b>
<b>Non-controlling interests</b>	42,319	49,742
<b>Total equity</b>	<b>257,343</b>	<b>229,872</b>
<b>Non-current liabilities</b>		
Long term borrowings	62,199	56,164
Deferred tax liabilities	737	752
	<b>62,936</b>	<b>56,916</b>
<b>Current liabilities</b>		
Trade payables	347	277
Other payables, deposits and accruals	13,078	1,682
Finance lease payables	325	-
Short term borrowings	18,023	21,520
Tax liabilities	142	146
	31,915	23,625
Liabilities of a disposal group classified as held for sale	-	48,145
	<b>31,915</b>	<b>71,770</b>
<b>Total Liabilities</b>	<b>94,851</b>	<b>128,686</b>
	<b>352,194</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

	6 months ended	
	30.06.20	30.06.19
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax from continuing operations	46,923	(5,709)
(Loss)/Profit before tax from discontinued operation	(398)	2,386
Profit/(Loss) before tax,	<u>46,525</u>	<u>(3,323)</u>
Adjustments for :-		
Amortisation of intangible assets	65	65
Amortisation of land use rights	-	189
Amortisation of right-of-use assets	406	-
Depreciation of property, plant and equipment	3,015	3,724
Gain on disposal of non-current assets held for sale	(59,364)	-
Income distribution from other investments	(80)	(121)
Interest expense	2,268	3,642
Interest income	(262)	(155)
Loss on disposal of other investments	102	-
Share of results of associates	1,705	1,410
Share of results of a jointly controlled entity	-	1,273
Unrealised gain on foreign exchange	(579)	-
Operating (loss)/profit before working capital changes	<u>(6,199)</u>	<u>6,704</u>
Changes in working capital :-		
Receivables	343	(2,024)
Payables	11,800	4,147
Net cash generated from operations	<u>5,944</u>	<u>8,827</u>
Interest paid	(2,679)	(3,184)
Tax paid	(79)	(164)
Tax refunded	-	47
<b>Net cash from operating activities</b>	<b><u>3,186</u></b>	<b><u>5,526</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital repayments from associates	-	1,500
Capital work-in-progress incurred	-	(286)
Cash received from amount owing by a third party receivable	3,780	-
Effect of disposal of non-current assets held for sale, net of cash disposed	104,963	-
Interest received	343	276
Net placement of short term fund	(1,931)	(6,711)
Placement of fixed deposits	-	(6)
Proceeds from disposal of other investments	2,694	-
Purchase of property, plant and equipment	(5,677)	(61)
Withdrawal of fixed deposits	-	866
<b>Net cash from/(used in) investing activities</b>	<b><u>104,172</u></b>	<b><u>(4,422)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	60,185	-
Drawdown of unsecured loan from a corporate shareholder	-	1,268
Payment of lease liabilities	(317)	-
Repayments of term loans	(33,184)	(7,918)
Repayments of unsecured loan from a corporate shareholder	(24,383)	-
<b>Net cash from/(used in) financing activities</b>	<b><u>2,301</u></b>	<b><u>(6,650)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>109,659</u></b>	<b><u>(5,546)</u></b>
Effects of exchange rate changes on cash and cash equivalents	1,902	22
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><u>134,850</u></u></b>	<b><u><u>22,769</u></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>6 months ended 30 June 2020</b>										
<b>At 01.01.20</b>	225,671	5,258	4,928	242	9,876	(4,797)	(61,048)	180,130	49,742	229,872
<b>Comprehensive income</b>										
Profit for the financial period	-	-	-	-	-	-	31,607	31,607	14,928	46,535
<b>Other comprehensive income</b>										
Exchange differences on translation of foreign operations	-	-	1,941	-	-	-	-	1,941	1,948	3,889
Reclassification adjustment of foreign exchange translation reserve upon disposal of non-current assets held for sale	-	-	1,494	-	-	-	-	1,494	-	1,494
<b>Total other comprehensive income for the financial period</b>	-	-	3,435	-	-	-	-	3,435	1,948	5,383
<b>Total comprehensive income for the financial period</b>	-	-	3,435	-	-	-	31,607	35,042	16,876	51,918
Adjustment on foreign exchange difference arising from revaluation reserve	-	(1,891)	1,891	-	-	-	-	-	-	-
<b>Transaction with owners</b>										
Transfer on disposal of non-current assets held for sale	-	(3,367)	(12)	(205)	-	-	3,436	(148)	148	-
Non-controlling interests effects arising from disposal of non-current assets held for sale	-	-	-	-	-	-	-	-	(24,447)	(24,447)
<b>Total transactions with owners</b>	-	(3,367)	(12)	(205)	-	-	3,436	(148)	(24,299)	(24,447)
<b>At 30.06.20</b>	<b>225,671</b>	<b>-</b>	<b>10,242</b>	<b>37</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(26,005)</b>	<b>215,024</b>	<b>42,319</b>	<b>257,343</b>
<b>6 months ended 30 June 2019</b>										
<b>At 01.01.19</b>	225,671	3,755	32,737	218	9,876	(4,797)	(76,306)	191,154	51,332	242,486
<b>Comprehensive (loss)/income</b>										
(Loss)/Profit for the financial period	-	-	-	-	-	-	(3,904)	(3,904)	503	(3,401)
<b>Other comprehensive income</b>										
Exchange differences on translation of foreign operations	-	-	101	-	-	-	-	101	147	248
<b>Total other comprehensive income for the financial period</b>	-	-	101	-	-	-	-	101	147	248
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	101	-	-	-	(3,904)	(3,803)	650	(3,153)
<b>Transaction with owners</b>										
At 30.06.19	<b>225,671</b>	<b>3,755</b>	<b>32,838</b>	<b>218</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(80,210)</b>	<b>187,351</b>	<b>51,982</b>	<b>239,333</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 2021
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#/1 January 2022^
Amendments to MFRS 3	Business Combinations	1 January 2021#/1 January 2022
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 2021#
Amendments to MFRS 9	Financial Instruments	1 January 2021#/1 January 2022^
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 15	Revenue from Contracts with Customers	1 January 2021#
Amendments to MFRS 16	Leases	1 January 2022^
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2021#/1 January 2022
Amendments to MFRS 107	Statements of Cash Flows	1 January 2021#
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2021#/1 January 2022
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#/1 January 2022
Amendments to MFRS 138	Intangible Assets	1 January 2021#
Amendments to MFRS 140	Investment Property	1 January 2021#
Amendments to MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

# 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 30 June 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

	<b>Warehousing &amp; related value added services</b>	<b>Transportation &amp; distribution</b>	<b>Solar energy &amp; related businesses</b>	<b>Consolidated</b>
	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30.06.2020</b>				
External revenue				
- From continuing operations	-	74	1,818	1,892
- From discontinued operation	-	-	-	-
	<u>-</u>	<u>74</u>	<u>1,818</u>	<u>1,892</u>
Segment (loss)/profit				
- From continuing operations	-	5	52	57
- From discontinued operation	(174)	-	-	(174)
	<u>(174)</u>	<u>5</u>	<u>52</u>	<u>(117)</u>
<b>3 months ended 30.06.2019</b>				
External revenue				
- From continuing operations	-	93	2,350	2,443
- From discontinued operation	4,014	-	-	4,014
	<u>4,014</u>	<u>93</u>	<u>2,350</u>	<u>6,457</u>
Segment (loss)/profit				
- From continuing operations	(841)	3	306	(532)
- From discontinued operation	1,313	-	-	1,313
	<u>472</u>	<u>3</u>	<u>306</u>	<u>781</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
<b>6 months ended 30.06.2020</b>				
External revenue				
- From continuing operations	-	174	4,390	4,564
- From discontinued operation	4,225	-	-	4,225
	<u>4,225</u>	<u>174</u>	<u>4,390</u>	<u>8,789</u>
Segment (loss)/profit				
- From continuing operations	-	14	710	724
- From discontinued operation	(398)	-	-	(398)
	<u>(398)</u>	<u>14</u>	<u>710</u>	<u>326</u>
<b>6 months ended 30.06.2019</b>				
External revenue				
- From continuing operations	-	160	5,053	5,213
- From discontinued operation	7,879	-	-	7,879
	<u>7,879</u>	<u>160</u>	<u>5,053</u>	<u>13,092</u>
Segment (loss)/profit				
- From continuing operations	(1,582)	7	974	(601)
- From discontinued operation	2,386	-	-	2,386
	<u>804</u>	<u>7</u>	<u>974</u>	<u>1,785</u>

### Reconciliation of reportable segment profit/(loss)

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
	RM'000	RM'000	RM'000	RM'000
Total profit/(loss) from reportable segments				
- From continuing operations	57	(532)	724	(601)
- From discontinued operation	(174)	1,313	(398)	2,386
Other non-reportable segments	49,336	(1,174)	47,904	(2,425)
Share of results of associates	(321)	(557)	(1,705)	(1,410)
Share of results of a jointly controlled entity	-	-	-	(1,273)
Consolidated profit/(loss) before tax	<u>48,898</u>	<u>(950)</u>	<u>46,525</u>	<u>(3,323)</u>

### b. By Geographical Location

External revenue	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,818	2,350	4,390	5,053
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	74	93	174	160
- From discontinued operation	-	4,014	4,225	7,879
	<u>1,892</u>	<u>6,457</u>	<u>8,789</u>	<u>13,092</u>

### Profit/(Loss) before tax

	Individual quarter		Cumulative quarters	
	3 months ended		6 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
	RM'000	RM'000	RM'000	RM'000
Malaysia	(1,278)	(863)	(1,044)	(1,429)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	50,350	(1,400)	47,967	(3,007)
- From discontinued operations	(174)	1,313	(398)	2,386
United Arab Emirates	-	-	-	(1,273)
	<u>48,898</u>	<u>(950)</u>	<u>46,525</u>	<u>(3,323)</u>



## A.9 Discontinued Operation

On 1 April 2020, Integrated Logistics (H.K.) Limited ("ILHK"), an indirect 70%-owned subsidiary of ILB, had completed the closing of the conditional Share Sale Agreement ("SPA") dated 19 December 2019 entered into with SWJ CN Logiport Pte. Ltd. ("Purchaser") to dispose off the entire 65% equity interest in Integrated Etern Logistics (Suzhou) Co. Limited ("IEL Suzhou") for a total purchase consideration of RMB217.2 million or approximately RM128.7 million ("Proposed Disposal").

On 30 June 2020, ILHK has finalized the Adjustment Sum and the Final Payment with the Purchaser.

On 15 July 2020, ILHK has received the Final Payment of RMB3.6 million or approximately RM2.1 million. Taking into consideration of the Adjustment Sum and Final Payment, the net sale proceeds to ILHK is approximately RM125.3 million of which RM87.7 million is attributable to ILB.

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. IEL Suzhou's results were discontinued to be consolidated into the Group's results upon completion of the closing of the SPA on 1 April 2020.

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

	Individual period ended		%	Cumulative period ended		%
	1 day	3 months		92 days	6 months	
	<b>01.04.20</b>	<b>30.06.19</b>	<b>changes</b>	<b>01.01.20 to</b>	<b>30.06.19</b>	<b>changes</b>
	RM'000	RM'000		RM'000	RM'000	
Revenue	-	4,014	-100.0%	4,225	7,879	-46.4%
Operating costs	(180)	(2,025)		(4,393)	(4,151)	
Other income	-	(3)		17	50	
<b>(Loss)/Profit from operation</b>	<b>(180)</b>	<b>1,986</b>	-109.1%	<b>(151)</b>	<b>3,778</b>	-104.0%
Finance costs	6	(673)		(247)	(1,392)	
<b>(Loss)/Profit before tax</b>	<b>(174)</b>	<b>1,313</b>	-113.3%	<b>(398)</b>	<b>2,386</b>	-116.7%
Tax expense	(6)	(74)		(6)	(74)	
<b>(Loss)/Profit for the financial period</b>	<b>(180)</b>	<b>1,239</b>	-114.5%	<b>(404)</b>	<b>2,312</b>	-117.5%

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

	Cumulative period ended	
	92 days	6 months
	<b>01.04.20</b>	<b>30.06.19</b>
	RM'000	RM'000
Operating cash flows	(1,367)	4,243
Investing cash flows	(1)	(312)
Financing cash flows	(39)	(1,971)
Effects of exchange rate changes on cash and cash equivalents	1,287	-
	<b>(120)</b>	<b>1,960</b>

## 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 preceding financial year in relation to the warehouse buildings owned by Integrated Etern Logistics (Suzhou) Co. Limited which was included in the assets of a disposal group classified as held for sale.

## A.11 Material Subsequent Events

On 17 July 2020, IL Power Sdn Bhd ("IL Power"), an indirect wholly-owned subsidiary of ILB, has allotted 4,499,998 new ordinary shares to IL Energy Sdn Bhd ("IL Energy"), the immediate holding company of IL Power and 500,000 new ordinary shares to Bumi Aman Sdn Bhd ("Bumi Aman"). Both IL Energy and Bumi Aman subscribed for the new shares by cash. Upon subscription of the new shares, ILB's effective and Bumi Aman's shareholding in IL Power are 90% and 10% respectively.

On 11 August 2020, IL Power has allotted an additional 4,500,000 new ordinary shares to IL Energy and 500,000 new ordinary shares to Bumi Aman. Both IL Energy and Bumi Aman subscribed for the new shares by cash. Upon subscription of the additional new shares, ILB's effective and Bumi Aman's shareholding in IL Power are 90% and 10% respectively.

As a result of the above two allotments, the issued share capital of IL Power has been increased from RM2 to RM10,000,000.

#### **A.12 Changes in The Composition of the Group**

Upon receiving the Final Payment on 15 July 2020 in relation to the Proposed Disposal as mentioned in A.9 above, the Proposed Disposal is completed.

#### **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 RM37.0 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

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

##### Continuing operations

For the current financial period ended 30 June 2020, the Group posted a revenue of RM4.6 million which was 12.4% lower than the revenue of RM5.2 million for the corresponding period 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 RM46.9 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM5.7 million. The increase in pre-tax profit of RM52.6 million for the current financial period was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of non-current assets held for sale	59.4
Increase in operating costs	(9.1)
Decrease in finance costs	0.5
Increase in share of losses from Associate	(0.3)
Decrease in other income	(0.1)
ii) <u>Malaysia</u>	
Increase in other income	1.6
Decrease in profit in tandem with the decrease in revenue	(0.4)
Increase in finance costs	(0.3)
iii) <u>United Arab Emirates</u>	
Decrease in share of losses from Jointly Controlled Entity	1.3
	<u>52.6</u>

##### Discontinued operations

For the current financial period ended 30 June 2020, the Group posted a revenue of RM4.2 million which was 46.4% lower than the revenue of RM7.9 million for the corresponding period in the preceding year. The lower revenue was mainly due to revenue decrease from the warehousing & related value added services segment of the Group's operations upon completion the closing of the disposal of non-current assets held for sale on 1 April 2020 in the People's Republic of China pursuant to the SPA.

The Group posted a pre-tax loss of RM0.4 million for the current financial period as compared to the pre-tax profit for the corresponding period in the preceding year of RM2.4 million. The decrease in pre-tax profit of RM2.8 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 profit in tandem with the decrease in revenue	(3.9)
Decrease in finance costs	1.1
	<u>(2.8)</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 30 June 2020, the Group posted a revenue of RM1.9 million which was 22.6% lower than the revenue of RM2.4 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 RM49.1 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM2.3 million. The increase in pre-tax profit of RM51.4 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of non-current assets held for sale	59.4
Increase in operating costs	(8.6)
Decrease in finance costs	0.3
Decrease in share of losses from Associate	0.2
ii) <u>Malaysia</u>	
Increase in other income	0.5
Decrease in profit in tandem with the decrease in revenue	(0.2)
Increase in finance costs	(0.2)
	<u>51.4</u>

#### Discontinued operations

For the current quarter ended 30 June 2020, the Group has no revenue as compared with the corresponding quarter in the preceding year, this was mainly due to completion the closing of the disposal of non-current assets held for sale on 1 April 2020 pursuant to the SPA.

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 RM1.3 million. The decrease in pre-tax profit of RM1.5 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Decrease in profit in tandem with the decrease in revenue	(2.2)
Decrease in finance costs	0.7
	<u>(1.5)</u>

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

	Individual quarter 3 months ended		%
	30.06.20 RM'000	31.03.20 RM'000	changes
Revenue			
- From continuing operations	1,892	2,672	
- From discontinued operations	-	4,325	
	<u>1,892</u>	<u>6,997</u>	-73.0%
Profit/(Loss) before tax			
- From continuing operations	49,072	(2,149)	
- From discontinued operations	(174)	(224)	
	<u>48,898</u>	<u>(2,373)</u>	-2160.6%

Compared to the immediate preceding quarter, the Group's revenue recorded a decrease of 73.0% from RM7.0 million to RM1.9 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 and completion the closing of the disposal of non-current assets held for sale on 1 April 2020 in the People's Republic of China pursuant to the SPA.

## B.2 Comparison With Immediate Preceding Quarter's Results (cont'd)

The Group recorded a pre-tax profit of RM48.9 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM2.4 million. The increase in pre-tax profit of RM51.3 million for the current quarter was mainly due to the following:

	RM million
i) <u>The People's Republic of China</u>	
Gain on disposal of non-current assets held for sale	59.4
Increase in operating costs	(8.5)
Decrease in share of losses from Associate	1.1
Decrease in finance costs	0.3
ii) <u>Malaysia</u>	
Decrease in other income	(0.6)
Decrease in profit in tandem with the decrease in revenue	(0.3)
Increase in finance costs	(0.1)
	<u>51.3</u>

## B.3 Prospects

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

The Group has successfully commissioned 11 MW a.c. solar power plant in Malaysia, generating revenue since December 2017. 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 30.06.2020 RM'000	Current financial year-to-date ended 30.06.2020 RM'000
Tax credit comprises :-		
<b><u>Continuing operations</u></b>		
Deferred tax		
- origination and reversal of temporary differences	(8)	(16)
<b><u>Discontinued operation</u></b>		
Income tax charge		
- adjustment in respect of prior years	6	6
Tax credit for the financial period	<u>(2)</u>	<u>(10)</u>

The reconciliation between tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 30 June 2020 are as follows:-

	Current financial quarter ended 30.06.2020 RM'000	Current financial year-to-date ended 30.06.2020 RM'000
Profit before tax from continuing operations	49,072	46,923
Loss before tax from discontinued operation	(174)	(398)
Profit before tax	<u>48,898</u>	<u>46,525</u>
Tax at the Malaysian statutory income tax rate of 24%	11,736	11,166
Different tax rates in other countries	(3,144)	(3,047)
Adjustments:		
Share of results of associates	(3)	(7)
Tax effects arising from non-taxable income	(12,225)	(12,505)
Tax effects arising from non-deductible expenses	3,477	4,152
Deferred tax assets not recognised during the financial period	201	475
Utilisation of deferred tax assets not recognised in prior financial years	(50)	(250)
Adjustment in respect of prior years		
- current tax	6	6
Tax credit recognised in profit or loss	<u>(2)</u>	<u>(10)</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	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	5,653	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	300	- " -	-	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>8,045</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.
- c. Taking into consideration of the Adjustment Sum and Final Payment as mentioned in A.9, the net sale proceeds attributable to the Group is RM87.7 million.

The status of utilisation of proceeds raised from the Proposed Disposal are as follows:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation amount RM'000	Explanation
Future investment in other complementary businesses and/or assets	50,000	-	Within 60 months from the closing date	-	-
Working capital of the Group	16,142	-	- " -	-	-
Payment of Withholding Tax	6,272	6,272	Within 6 months from the closing date	-	-
Defraying expenses incidental to the Proposed Disposal	7,207	7,207	- " -	-	-
Repayment of borrowings	8,087	8,087	- " -	-	-
<b>Total</b>	<b>87,708</b>	<b>21,566</b>			

## B.7 Group Borrowings and Debt Securities

### Continuing operations

	As at 30.06.2020					
	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	19,341	-	-	-	19,341	-
- RM	-	42,858	-	14,759	-	57,617
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	-	-	3,264	-	3,264	-
	19,341	42,858	3,264	14,759	22,605	57,617

	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
<b>Secured :-</b>						
Term loans						
- USD	22,405	-	11,203	-	33,608	-
- RM	-	40,150	-	4,650	-	44,800
<b>Unsecured :-</b>						
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

## 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		Cumulative Quarters	
	3 months ended		6 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Profit/(Loss) attributable to owners of the Company (RM'000)				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(7,556)	(1,955)	(9,045)	(5,017)
- Gain on disposal of non-current assets held for sale	40,755	-	40,755	-
	33,199	(1,955)	31,710	(5,017)
- From discontinued operation	(84)	596	(103)	1,113
	<u>33,115</u>	<u>(1,359)</u>	<u>31,607</u>	<u>(3,904)</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 (excluding gain on disposal of non-current assets held for sale)	(4.0)	(1.0)	(4.8)	(2.7)
- Gain on disposal of non-current assets held for sale	21.6	-	21.6	-
	17.6	(1.0)	16.8	(2.7)
- From discontinued operation	(0.1)	0.3	(0.1)	0.6
	<u>17.5</u>	<u>(0.7)</u>	<u>16.7</u>	<u>(2.1)</u>

**B.12 Profit Before Tax**

The following items have been charged/(credited) in arriving at profit before tax:-

	Current financial quarter ended 30.06.2020	Current financial year-to-date ended 30.06.2020
	RM'000	RM'000
<b>Continuing operations</b>		
Amortisation of intangible assets	32	65
Amortisation of right-of-use assets	156	313
Depreciation of property, plant and equipment	1,136	2,271
Expense relating to low value assets	4	8
Gain on disposal of non-current assets held for sale	(59,364)	(59,364)
Gain on foreign exchange		
- realised	(626)	(645)
- unrealised	145	(579)
Income distribution from other investments	(37)	(80)
Interest expense	1,055	2,021
Interest income	(48)	(250)
Loss on disposal of other investments	102	102

**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 2020