

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2020**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Revenue	1,735	2,285	6,299	7,498
Operating costs	(3,773)	(3,064)	(19,682)	(10,193)
Other income	1,007	536	3,626	1,676
Gain on disposal of non-current assets held for sale	-	1,459	59,364	1,459
	(1,031)	1,216	49,607	440
Finance costs	(698)	(1,264)	(2,708)	(3,514)
Share of results of associates	(559)	(712)	(2,264)	(2,122)
Share of results of a jointly controlled entity	-	-	-	(1,273)
<b>(Loss)/Profit before tax</b>	<b>(2,288)</b>	<b>(760)</b>	<b>44,635</b>	<b>(6,469)</b>
Tax expense	(205)	2	(189)	(2)
<b>Net (Loss)/Profit after tax</b>				
- From continuing operations	(2,493)	(758)	44,446	(6,471)
- From discontinued operation	-	(119)	(404)	2,193
<b>(Loss)/Profit for the period</b>	<b>(2,493)</b>	<b>(877)</b>	<b>44,042</b>	<b>(4,278)</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(2,307)	(1,853)	(11,352)	(6,870)
- Gain on disposal of non-current assets held for sale	-	1,459	40,755	1,459
	(2,307)	(394)	29,403	(5,411)
- From discontinued operation	-	(20)	(103)	1,093
	(2,307)	(414)	29,300	(4,318)
Non-controlling interests	(186)	(463)	14,742	40
<b>(Loss)/Profit for the period</b>	<b>(2,493)</b>	<b>(877)</b>	<b>44,042</b>	<b>(4,278)</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
<b>(Loss)/Profit for the period</b>	(2,493)	(877)	44,042	(4,278)
<b>Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations	(2,992)	(2,069)	897	(1,821)
Reclassification adjustment of foreign exchange translation reserve upon disposal of non-current assets held for sale	-	-	1,494	-
<b>Other comprehensive (loss)/income for the period</b>	(2,992)	(2,069)	2,391	(1,821)
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<u><b>(5,485)</b></u>	<u><b>(2,946)</b></u>	<u><b>46,433</b></u>	<u><b>(6,099)</b></u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(3,928)	(1,596)	31,114	(5,399)
Non-controlling interests	<u>(1,557)</u>	<u>(1,350)</u>	<u>15,319</u>	<u>(700)</u>
	<u><b>(5,485)</b></u>	<u><b>(2,946)</b></u>	<u><b>46,433</b></u>	<u><b>(6,099)</b></u>
<b>Basic (loss)/earnings per share attributable to owners of the parent (sen)</b>				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(1.2)	(1.0)	(6.0)	(3.7)
- Gain on disposal of non-current assets held for sale	-	0.8	21.6	0.8
	<u>(1.2)</u>	<u>(0.2)</u>	<u>15.6</u>	<u>(2.9)</u>
- From discontinued operation	-	-	(0.1)	0.6
	<u><b>(1.2)</b></u>	<u><b>(0.2)</b></u>	<u><b>15.5</b></u>	<u><b>(2.3)</b></u>

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2019.

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2020**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 30.09.2020 RM'000</b>	<b>AS AT 31.12.2019 RM'000 ( Audited )</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	138,803	114,019
Intangible assets	2,238	2,336
Interest in associates	31,958	33,834
Other investments	270	270
Long term receivables	20,174	30,233
	<u>193,443</u>	<u>180,692</u>
<b>Current assets</b>		
Trade and other receivables	16,049	14,598
Tax assets	-	52
Short term funds	1,654	2,762
Deposits with financial institutions	50,015	-
Cash & bank balances	46,601	21,908
	<u>114,319</u>	<u>39,320</u>
Assets of a disposal group classified as held for sale	-	138,546
	<u>114,319</u>	<u>177,866</u>
<b>TOTAL ASSETS</b>	<u><u>307,762</u></u>	<u><u>358,558</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	225,671	225,671
Reserves	(9,778)	(40,744)
Treasury shares	(4,797)	(4,797)
	<u>211,096</u>	<u>180,130</u>
<b>Non-controlling interests</b>	<u>19,040</u>	<u>49,742</u>
<b>Total equity</b>	<u>230,136</u>	<u>229,872</u>
<b>Non-current liabilities</b>		
Long term borrowings	57,920	56,164
Deferred tax liabilities	729	752
	<u>58,649</u>	<u>56,916</u>
<b>Current liabilities</b>		
Trade and other payables	3,780	1,317
Finance lease payables	163	642
Short term borrowings	14,782	21,520
Tax liabilities	252	146
	<u>18,977</u>	<u>23,625</u>
Liabilities of a disposal group classified as held for sale	-	48,145
	<u>18,977</u>	<u>71,770</u>
<b>Total Liabilities</b>	<u>77,626</u>	<u>128,686</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>307,762</u></u>	<u><u>358,558</u></u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u><u>1.12</u></u>	<u><u>0.95</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2020**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 months ended</b>	
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating Activities</b>		
Profit/(Loss) before tax from continuing operations	44,635	(6,469)
(Loss)/Profit before tax from discontinued operation	(398)	2,386
Profit/(Loss) before tax	<u>44,237</u>	<u>(4,083)</u>
Adjustments for :-		
Depreciation and amortisation	4,831	5,981
Gain on disposal of non-current assets held for sale	(59,364)	(1,459)
Income distribution from other investments	(88)	(190)
Interest expense	2,951	5,516
Interest income	(478)	(211)
Loss on disposal of other investments	102	-
Property, plant and equipment written off	-	30
Share of results of associates and a jointly controlled entity	2,264	3,395
Unrealised (gain)/loss on foreign exchange	(423)	510
<b>Operating (loss)/profit before working capital changes</b>	<u>(5,968)</u>	<u>9,489</u>
Changes in working capital :-		
Receivables	1,990	(1,513)
Payables	(2,724)	(1,702)
<b>Cash (used in)/generated from operations</b>	<u>(6,702)</u>	<u>6,274</u>
Interest paid	(3,530)	(5,369)
Tax paid	(160)	(182)
Tax refunded	57	114
<b>Net cash (used in)/from operating activities</b>	<u><b>(10,335)</b></u>	<u><b>837</b></u>
<b>Investing Activities</b>		
Capital repayments from associates	-	1,500
Cash received from amount owing by a third party receivable	7,690	-
Dividend received	94	-
Effect of disposal of non-current assets held for sale, net of cash disposed	103,360	-
Interest received	566	401
Net placement of short term funds	(1,688)	(5,730)
Proceeds from allotment of shares by subsidiary to non-controlling interests	1,000	-
Proceeds from disposal of non-current assets held for sale	-	4,300
Proceeds from disposal of other investments	2,695	-
Purchase of property, plant and equipment	(8,695)	(436)
Withdrawal of fixed deposits	-	860
<b>Net cash from investing activities</b>	<u><b>105,022</b></u>	<u><b>895</b></u>
<b>Financial Activities</b>		
Dividends paid to non-controlling interests	(23,094)	-
Drawdown/(Repayments) of term loans	22,834	(11,920)
Payment of lease liabilities	(479)	-
(Repayments)/Drawdown of unsecured loan from a corporate shareholder	(24,012)	1,273
<b>Net cash used in financing activities</b>	<u><b>(24,751)</b></u>	<u><b>(10,647)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>69,936</b>	<b>(8,915)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	3,391	(232)
<b>Cash and cash equivalents at the beginning of period</b>	23,289	28,293
<b>Cash and cash equivalents at the end of period</b>	<u><b>96,616</b></u>	<u><b>19,146</b></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2020**

( The figures have not been audited )



**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>As at 1 January 2020</b>	225,671	5,258	4,928	242	9,876	(4,797)	(61,048)	180,130	49,742	229,872
Profit for the period	-	-	-	-	-	-	29,300	29,300	14,742	44,042
Other comprehensive income	-	-	1,814	-	-	-	-	1,814	577	2,391
<b>Total comprehensive income for the financial period</b>	-	-	1,814	-	-	-	29,300	31,114	15,319	46,433
Adjustment on foreign exchange difference arising from revaluation reserve	-	(1,942)	1,942	-	-	-	-	-	-	-
<b>Transaction with owners</b>										
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	1,000	1,000
Transfer on disposal of non-current assets held for sale	-	(3,316)	(12)	(202)	-	-	3,382	(148)	148	-
Non-controlling interests effects arising from disposal of non-current assets held for sale	-	-	-	-	-	-	-	-	(24,075)	(24,075)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(23,094)	(23,094)
<b>Total transactions with owners</b>	-	(3,316)	(12)	(202)	-	-	3,382	(148)	(46,021)	(46,169)
<b>As at 30 September 2020</b>	<b>225,671</b>	<b>-</b>	<b>8,672</b>	<b>40</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(28,366)</b>	<b>211,096</b>	<b>19,040</b>	<b>230,136</b>
<b>As at 1 January 2019</b>	<b>225,671</b>	<b>3,755</b>	<b>32,737</b>	<b>218</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(76,306)</b>	<b>191,154</b>	<b>51,332</b>	<b>242,486</b>
(Loss)/Profit for the period	-	-	-	-	-	-	(4,318)	(4,318)	40	(4,278)
Other comprehensive loss	-	-	(1,081)	-	-	-	-	(1,081)	(740)	(1,821)
<b>Total comprehensive loss for the financial period</b>	-	-	(1,081)	-	-	-	(4,318)	(5,399)	(700)	(6,099)
<b>Transaction with owners</b>										
Transfer on disposal of a jointly controlled entity	-	-	(24,821)	-	-	-	24,843	22	-	22
<b>Total transactions with owners</b>	-	-	(24,821)	-	-	-	24,843	22	-	22
<b>As at 30 September 2019</b>	<b>225,671</b>	<b>3,755</b>	<b>6,835</b>	<b>218</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(55,781)</b>	<b>185,777</b>	<b>50,632</b>	<b>236,409</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

**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 2022 <sup>^</sup> /1 January 2023#
Amendments to MFRS 3	Business Combinations	1 January 2022/1 January 2023#
Amendments to MFRS 4	Insurance Contracts	1 January 2021
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 2021/1 January 2023#
Amendments to MFRS 9	Financial Instruments	1 January 2021/1 January 2022 <sup>^</sup> /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 16	Leases	1 June 2020 <sup>*</sup> /1 January 2021/1 January 2022 <sup>^</sup>
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023/1 January 2023#
Amendments to MFRS 107	Statements of Cash Flows	1 January 2023#
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2022/1 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 2022/1 January 2023#
Amendments to MFRS 138	Intangible Assets	1 January 2023#
Amendments to MFRS 139	Financial instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 140	Investment Property	1 January 2023#
Amendments to MFRS 141	Agriculture	1 January 2022 <sup>^</sup>

<sup>^</sup> The Annual Improvements to MFRS Standards 2018-2020

<sup>\*</sup> Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020

<sup>#</sup> 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 September 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

	Solar energy & related businesses RM'000	Transportation & distribution RM'000	Warehousing & related value added services RM'000	Consolidated RM'000
<b>3 months ended 30.09.2020</b>				
External revenue				
- From continuing operations	1,690	45	-	1,735
- From discontinued operation	-	-	-	-
	<u>1,690</u>	<u>45</u>	<u>-</u>	<u>1,735</u>
Segment (loss)/profit				
- From continuing operations	(208)	3	-	(205)
- From discontinued operation	-	-	-	-
	<u>(208)</u>	<u>3</u>	<u>-</u>	<u>(205)</u>
<b>3 months ended 30.09.2019</b>				
External revenue				
- From continuing operations	2,167	118	-	2,285
- From discontinued operation	-	-	4,064	4,064
	<u>2,167</u>	<u>118</u>	<u>4,064</u>	<u>6,349</u>
Segment profit/(loss)				
- From continuing operations	193	4	(928)	(731)
- From discontinued operation	-	-	-	-
	<u>193</u>	<u>4</u>	<u>(928)</u>	<u>(731)</u>

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

### a. By Activity (cont'd)

	Solar energy & related businesses RM'000	Transportation & distribution RM'000	Warehousing & related value added services RM'000	Consolidated RM'000
<b>9 months ended 30.09.2020</b>				
External revenue				
- From continuing operations	6,080	219	-	6,299
- From discontinued operation	-	-	4,225	4,225
	<u>6,080</u>	<u>219</u>	<u>4,225</u>	<u>10,524</u>
Segment profit/(loss)				
- From continuing operations	502	17	-	519
- From discontinued operation	-	-	(398)	(398)
	<u>502</u>	<u>17</u>	<u>(398)</u>	<u>121</u>
<b>9 months ended 30.09.2019</b>				
External revenue				
- From continuing operations	7,220	278	-	7,498
- From discontinued operation	-	-	11,943	11,943
	<u>7,220</u>	<u>278</u>	<u>11,943</u>	<u>19,441</u>
Segment profit/(loss)				
- From continuing operations	1,167	11	(2,510)	(1,332)
- From discontinued operation	-	-	2,386	2,386
	<u>1,167</u>	<u>11</u>	<u>(124)</u>	<u>1,054</u>

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

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Total (loss)/profit from reportable segments				
- From continuing operations	(205)	(731)	519	(1,332)
- From discontinued operation	-	-	(398)	2,386
Other non-reportable segments	(1,524)	683	46,380	(1,742)
Share of results of associates	(559)	(712)	(2,264)	(2,122)
Share of results of a jointly controlled entity	-	-	-	(1,273)
Consolidated (loss)/profit before tax	<u>(2,288)</u>	<u>(760)</u>	<u>44,237</u>	<u>(4,083)</u>

### b. By Geographical Location

#### External revenue

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Malaysia	1,690	2,167	6,080	7,220
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	45	118	219	278
- From discontinued operation	-	4,064	4,225	11,943
	<u>1,735</u>	<u>6,349</u>	<u>10,524</u>	<u>19,441</u>



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

### b. By Geographical Location (cont'd)

#### (Loss)/Profit before tax

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Malaysia	(1,549)	889	(2,593)	(540)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(739)	(1,649)	47,228	(4,656)
- From discontinued operations	-	-	(398)	2,386
United Arab Emirates	-	-	-	(1,273)
	<b>(2,288)</b>	<b>(760)</b>	<b>44,237</b>	<b>(4,083)</b>

## 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 (Q3)		CUMULATIVE PERIOD	
	Current year period 01.04.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current period to date 01.01.2020 to 01.04.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Revenue	-	4,064	4,225	11,943
Operating costs	-	(3,430)	(4,393)	(7,581)
Other income	-	(24)	17	26
	-	<b>610</b>	<b>(151)</b>	<b>4,388</b>
Finance costs	-	(610)	(247)	(2,002)
<b>(Loss)/Profit before tax</b>	-	-	<b>(398)</b>	<b>2,386</b>
Tax expense	-	(119)	(6)	(193)
<b>(Loss)/Profit for the period</b>	-	<b>(119)</b>	<b>(404)</b>	<b>2,193</b>

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

	CUMULATIVE PERIOD	
	Current period to date 01.01.2020 to 01.04.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Operating cash flows	(1,367)	3,103
Investing cash flows	(1)	(394)
Financing cash flows	(39)	(5,608)
Effects of exchange rate changes on cash and cash equivalents	1,287	1,887
	<b>(120)</b>	<b>(1,012)</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**

There were no material events subsequent to the current financial quarter under review.

#### **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.

On 17 July 2020 and 11 August 2020, IL Power Sdn Bhd ("IL Power"), an indirect wholly-owned subsidiary of ILB, has allotted 4,499,998 and 4,500,000 new ordinary shares respectively to IL Energy Sdn Bhd ("IL Energy"), the immediate holding company of IL Power and 500,000 new ordinary shares each to Bumi Aman Sdn Bhd ("Bumi Aman") on both the same dates . Both IL Energy and Bumi Aman subscribed and paid for the new shares by cash resulting in them having an effective shareholding of 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.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 RM36.0 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 September 2020, the Group posted revenue of RM6.3 million which was 16.0% lower than the revenue of RM7.5 million for the corresponding period in the preceding year. The lower revenue was mainly due to a temporary selective shutdown arising from faulty inverters in respect of the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax profit of RM44.6 million for the current financial period as compared to the pre-tax loss for the corresponding period in the preceding year of RM6.5 million. The increase in pre-tax profit of RM51.1 million for the current financial period was mainly due to the RM59.4 million gain on disposal of the indirect interest of 45.5% in IEL Suzhou . ( Pls refer to note A.9 ) This substantial gain was reduced by the net losses sustained by the operating entities in the Group.

##### Discontinued operations

For the current financial period ended 30 September 2020, the Group posted revenue of RM4.2 million with a pre-tax loss of RM0.4 million compared with the corresponding period in the preceding year revenue of RM11.9 million and pre-tax profit of RM2.4 million. The lower revenue with a pre-tax loss was mainly due to decline in revenue from the warehousing & related value added services segment of the Group's operations upon completion of 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. ( Pls refer to note A.9 )

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

##### Continuing operations

For the current quarter ended 30 September 2020, the Group posted revenue of RM1.7 million which was 24.1% lower than the revenue of RM2.3 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to a temporary selective shutdown arising from faulty inverters in respect of the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM2.3 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM0.8 million. The increase in pre-tax loss of RM1.5 million for the current quarter was mainly due to the Malaysian operating loss of RM2.5 million arising substantially from the exclusion of the gain on disposal of Integrated National Logistics DWC-LLC of RM1.5 million recognised in the prior year which was offsetted by the People's republic of China operating profit of RM1.0 million.

##### Discontinued operations

For the current quarter ended 30 September 2020, the Group has not recorded any revenue or pre-tax profit as compared with the corresponding quarter in the preceding year after the completion of 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. ( Pls refer to note A.9 )

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

	Current quarter ended 30.09.2020 RM'000	Immediate preceding quarter ended 30.06.2020 RM'000
Revenue		
- From continuing operations	1,735	1,892
- From discontinued operations	-	-
	<u>1,735</u>	<u>1,892</u>
(Loss)/Profit before tax		
- From continuing operations	(2,288)	49,072
- From discontinued operations	-	(174)
	<u>(2,288)</u>	<u>48,898</u>

The Group's revenue recorded a marginal decrease of 8.30% from RM1.9 million to RM1.7 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.

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

The current quarter pre-tax loss of RM2.3 million against the immediate preceding quarter pre-tax profit of RM48.9 million arose from the completion of 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 in the prior quarter. The increase in pre-tax loss of RM51.2 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 in prior quarter	(59.4)
Operating profit for the financial period	9.0
ii) <u>Malaysia</u>	
Operating loss for the financial period	(0.8)
	<u>(51.2)</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 Expense

	Current year quarter 30.09.2020 RM'000	Current year to date 30.09.2020 RM'000
Tax expense comprises :-		
<b><u>Continuing operations</u></b>		
Current income tax		
- current period	217	217
- under/(over) provision	(5)	(5)
Deferred tax		
- reversal of temporary differences	<u>(7)</u>	<u>(23)</u>
	205	189
<b><u>Discontinued operation</u></b>		
Current income tax		
- under/(over) provision	-	6
Tax expense for the financial period	<u>205</u>	<u>195</u>

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

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial period ended 30 September 2020 are as follows:-

	Current year quarter 30.09.2020 RM'000	Current year to date 30.09.2020 RM'000
(Loss)/Profit before tax from continuing operations	(2,288)	44,635
Loss before tax from discontinued operation	-	(398)
(Loss)/Profit before tax	<u>(2,288)</u>	<u>44,237</u>
Tax at the Malaysian statutory income tax rate of 24%	(549)	10,617
Different tax rates in other countries	1	(3,046)
Adjustments:		
Share of results of associates	(2)	(9)
Tax effects arising from non-taxable income	(1,499)	(11,800)
Tax effects arising from non-deductible expenses	976	3,082
Deferred tax assets not recognised during the financial period	1,283	1,561
Utilisation of deferred tax assets not recognised in prior financial years	-	(211)
Under provision in respect of prior years	(5)	1
Tax expense recognised in profit or loss	<u>205</u>	<u>195</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	10,000	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	800	- " -	-	Amount incurred on studies and preparation of bid submissions for additional LSSPV plants
Working capital	2,567	2,567	- " -	-	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>13,549</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.6 Status of Corporate Proposals (cont'd)

- 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	3,158	Within 60 months from the closing date	-	-
Working capital of the Group	16,142	5,853	- " -	-	-
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>30,577</b>			

## B.7 Group Borrowings and Debt Securities

### Continuing operations

	As at 30.09.2020					
	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	18,767	-	-	-	18,767	-
- RM	-	39,153	-	14,782	-	53,935
	18,767	39,153	-	14,782	18,767	53,935

	As at 30.09.2019					
	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	19,799	-	11,314	-	31,113	-
- RM	-	38,950	-	4,681	-	43,631
<b>Unsecured :-</b>						
Loan from a non-controlling shareholder						
- HKD	5,282	-	39,844	-	45,126	-
	25,081	38,950	51,158	4,681	76,239	43,631

## B.8 Financial Instruments

### a. Derivatives

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

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

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

## B.9 Material Litigation

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

## B.10 Dividend Payable

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

## B.11 (Loss)/Earnings Per Share ("EPS")

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)				
- From continuing operations (excluding gain on disposal of non-current assets held for sale)	(2,307)	(1,853)	(11,352)	(6,870)
- Gain on disposal of non-current assets held for sale	-	1,459	40,755	1,459
	<u>(2,307)</u>	<u>(394)</u>	<u>29,403</u>	<u>(5,411)</u>
- From discontinued operation	-	(20)	(103)	1,093
	<u>(2,307)</u>	<u>(414)</u>	<u>29,300</u>	<u>(4,318)</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)	(1.2)	(1.0)	(6.0)	(3.7)
- Gain on disposal of non-current assets held for sale	-	0.8	21.6	0.8
	<u>(1.2)</u>	<u>(0.2)</u>	<u>15.6</u>	<u>(2.9)</u>
- From discontinued operation	-	-	(0.1)	0.6
	<u>(1.2)</u>	<u>(0.2)</u>	<u>15.5</u>	<u>(2.3)</u>

## B.12 (Loss)/Profit Before Tax

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

	Current year quarter 30.09.2020 RM'000	Current year to date 30.09.2020 RM'000
<b>Continuing operations</b>		
Amortisation of intangible assets	32	97
Amortisation of right-of-use assets	157	470
Depreciation of property, plant and equipment	1,170	3,441
Gain on disposal of non-current assets held for sale	-	(59,364)
(Gain)/Loss on foreign exchange		
- realised	(292)	(937)
- unrealised	156	(423)
Income distribution from other investments	(8)	(88)
Interest expense	687	2,708
Interest income	(227)	(477)
Loss on disposal of other investments	-	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  
20 November 2020