

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2021**

( 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
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<b>Continuing operations</b>				
Revenue	2,129	1,749	6,867	6,313
Operating costs	(2,990)	(3,773)	(9,954)	(19,682)
Other income	1,069	993	3,452	3,612
	208	(1,031)	365	(9,757)
Finance costs	(447)	(698)	(1,492)	(2,708)
Share of results of associates	(3,284)	(559)	(2,970)	(2,264)
<b>Loss before tax</b>	<b>(3,523)</b>	<b>(2,288)</b>	<b>(4,097)</b>	<b>(14,729)</b>
Tax expense	(66)	(205)	(240)	(189)
<b>Loss from continuing operations</b>	<b>(3,589)</b>	<b>(2,493)</b>	<b>(4,337)</b>	<b>(14,918)</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	-	-	-	(404)
Gain on disposal of a subsidiary, net of tax	-	-	-	59,364
<b>(Loss)/Profit for the period</b>	<b>(3,589)</b>	<b>(2,493)</b>	<b>(4,337)</b>	<b>44,042</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company				
- From continuing operations	(2,546)	(2,307)	(3,227)	(11,352)
- From discontinued operation	-	-	-	(103)
- Gain on disposal of a subsidiary	-	-	-	40,755
	(2,546)	(2,307)	(3,227)	29,300
Non-controlling interests	(1,043)	(186)	(1,110)	14,742
<b>(Loss)/Profit for the period</b>	<b>(3,589)</b>	<b>(2,493)</b>	<b>(4,337)</b>	<b>44,042</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 2020 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 2021**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
<b>(Loss)/Profit for the period</b>	(3,589)	(2,493)	(4,337)	44,042
<b>Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations	238	(2,992)	2,253	897
Reclassification adjustment of foreign exchange translation reserve upon disposal of a subsidiary	-	-	-	1,494
<b>Other comprehensive income/(loss) for the period</b>	238	(2,992)	2,253	2,391
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b><u>(3,351)</u></b>	<b><u>(5,485)</u></b>	<b><u>(2,084)</u></b>	<b><u>46,433</u></b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(2,391)	(3,928)	(1,721)	31,114
Non-controlling interests	(960)	(1,557)	(363)	15,319
	<b><u>(3,351)</u></b>	<b><u>(5,485)</u></b>	<b><u>(2,084)</u></b>	<b><u>46,433</u></b>
<b>Basic (loss)/earnings per share attributable to owners of the Company (sen)</b>				
- From continuing operations	(1.3)	(1.2)	(1.7)	(6.0)
- From discontinued operation	-	-	-	(0.1)
- Gain on disposal of a subsidiary	-	-	-	21.6
	<b><u>(1.3)</u></b>	<b><u>(1.2)</u></b>	<b><u>(1.7)</u></b>	<b><u>15.5</u></b>

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 2020.

**INTEGRATED LOGISTICS BERHAD (229690 K)**  
**Interim Report For The Financial Period Ended 30 September 2021**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30.09.2021 RM'000	AS AT 31.12.2020 RM'000 ( Audited )
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	135,663	145,150
Intangible assets	2,108	2,206
Interest in associates	37,146	39,039
Other investments	270	270
Long term receivables	6,633	16,111
	<u>181,820</u>	<u>202,776</u>
<b>Current assets</b>		
Trade and other receivables	15,568	15,791
Contract costs	1,613	-
Short term funds	4,755	2,766
Deposits, cash & bank balances	79,407	87,894
	<u>101,343</u>	<u>106,451</u>
<b>TOTAL ASSETS</b>	<u>283,163</u>	<u>309,227</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	225,671	225,671
Reserves	(12,601)	(6,082)
Treasury shares	(4,797)	(4,797)
	<u>208,273</u>	<u>214,792</u>
<b>Non-controlling interests</b>	16,118	21,088
<b>Total equity</b>	<u>224,391</u>	<u>235,880</u>
<b>Non-current liabilities</b>		
Long term borrowings	48,165	53,591
Deferred tax liabilities	863	886
	<u>49,028</u>	<u>54,477</u>
<b>Current liabilities</b>		
Trade and other payables	3,891	3,760
Contract liabilities	799	-
Short term borrowings	4,804	14,790
Tax liabilities	250	320
	<u>9,744</u>	<u>18,870</u>
<b>Total liabilities</b>	58,772	73,347
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>283,163</u>	<u>309,227</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u>1.10</u>	<u>1.14</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 2020 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000
<b>Operating Activities</b>		
Loss before tax from continuing operations	(4,097)	(14,729)
Profit before tax from discontinued operation	-	58,966
(Loss)/Profit before tax	<u>(4,097)</u>	<u>44,237</u>
Adjustments for :-		
Depreciation and amortisation	3,615	4,831
Gain on disposal of a subsidiary	-	(59,364)
Gain on disposal of property, plant and equipment	(30)	-
Income distribution from other investments	(39)	(88)
Interest expense	1,492	2,951
Interest income	(1,840)	(478)
Loss on disposal of other investments	-	102
Share of results of associates	2,970	2,264
Unrealised gain on foreign exchange	(326)	(423)
<b>Operating profit/(loss) before working capital changes</b>	<u>1,745</u>	<u>(5,968)</u>
Changes in working capital :-		
Receivables	(114)	1,990
Contract costs	(1,613)	-
Payables	131	(2,724)
Contract liabilities	799	-
<b>Net cash generated from/(used in) operations</b>	<u>948</u>	<u>(6,702)</u>
Interest paid	(1,492)	(3,530)
Tax paid	(336)	(103)
<b>Net cash used in operating activities</b>	<u>(880)</u>	<u>(10,335)</u>
<b>Investing Activities</b>		
Acquisition of non-controlling interests in a subsidiary	(1,000)	-
Cash received from third party receivable	17,015	7,690
Dividend received	-	94
Interest received	1,879	566
Net placement of short term fund	(1,989)	(1,688)
Net proceeds from disposal of a subsidiary	-	103,360
Proceeds from allotment of shares in a subsidiary to non-controlling interests	-	1,000
Proceeds from disposal of other investments	-	2,695
Proceeds from disposal of property, plant and equipment	30	-
Purchase of property, plant and equipment	(181)	(8,695)
Withdrawal/(Placement) of deposits with licensed banks	40,342	(40,000)
<b>Net cash from investing activities</b>	<u>56,096</u>	<u>65,022</u>
<b>Financing Activities</b>		
Dividends paid	(4,723)	-
Dividends paid to non-controlling interests	(3,682)	(23,094)
Payment of lease liabilities	-	(479)
(Repayments)/Drawdown of term loans	(16,090)	22,834
Repayments of unsecured loan to a corporate shareholder	-	(24,012)
<b>Net cash used in financing activities</b>	<u>(24,495)</u>	<u>(24,751)</u>
<b>Net increase in cash and cash equivalents</b>	<b>30,721</b>	<b>29,936</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	1,135	3,391
Cash and cash equivalents at the beginning of the period	47,551	23,289
<b>Cash and cash equivalents at the end of the period</b>	<u><b>79,407</b></u>	<u><b>56,616</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 2020 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 2021**

( The figures have not been audited )



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Non-Distributable-----→					←-----Distributable-----→		Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Asset revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Statutory reserve fund RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>As at 1 January 2021</b>	<b>225,671</b>	-	<b>7,137</b>	<b>65</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(23,160)</b>	<b>214,792</b>	<b>21,088</b>	<b>235,880</b>
Loss for the period	-	-	-	-	-	-	(3,227)	(3,227)	(1,110)	(4,337)
Other comprehensive income	-	-	1,506	-	-	-	-	1,506	747	2,253
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>1,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,227)</b>	<b>(1,721)</b>	<b>(363)</b>	<b>(2,084)</b>
<b>Transaction with owners</b>										
Acquisition of non-controlling interests in a subsidiary	-	-	-	-	-	-	(75)	(75)	(925)	(1,000)
Dividends paid	-	-	-	-	-	-	(4,723)	(4,723)	-	(4,723)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,682)	(3,682)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,798)</b>	<b>(4,798)</b>	<b>(4,607)</b>	<b>(9,405)</b>
<b>As at 30 September 2021</b>	<b>225,671</b>	-	<b>8,643</b>	<b>65</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(31,185)</b>	<b>208,273</b>	<b>16,118</b>	<b>224,391</b>
<b>As at 1 January 2020</b>	<b>225,671</b>	<b>5,258</b>	<b>4,928</b>	<b>242</b>	<b>9,876</b>	<b>(4,797)</b>	<b>(61,048)</b>	<b>180,130</b>	<b>49,742</b>	<b>229,872</b>
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 period</b>	<b>-</b>	<b>-</b>	<b>1,814</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,300</b>	<b>31,114</b>	<b>15,319</b>	<b>46,433</b>
<b>Transaction with owners</b>										
Changes in non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	1,000	1,000
Transfer on disposal of a subsidiary	-	(5,258)	1,930	(202)	-	-	3,382	(148)	(23,927)	(24,075)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(23,094)	(23,094)
<b>Total transactions with owners</b>	<b>-</b>	<b>(5,258)</b>	<b>1,930</b>	<b>(202)</b>	<b>-</b>	<b>-</b>	<b>3,382</b>	<b>(148)</b>	<b>(46,021)</b>	<b>(46,169)</b>
<b>As at 30 September 2020</b>	<b>225,671</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>

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 2020 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 2020.

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 2020 except for the following:

The amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2021:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
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 2021 with practical expedients permitted under the standards. Comparatives for 2020 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 <sup>#</sup>
Amendments to MFRS 3	Business Combinations	1 January 2022/1 January 2023 <sup>#</sup>
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 <sup>#</sup>
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2021/1 January 2023 <sup>#</sup>
Amendments to MFRS 9	Financial Instruments	1 January 2021/1 January 2022 <sup>^</sup> /1 January 2023 <sup>#</sup>
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
Amendments to MFRS 16	Leases	1 June 2020/1 January 2021/1 April 2021/1 January 2022 <sup>^</sup>
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023/1 January 2023 <sup>#</sup>
Amendments to MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112	Income Taxes	1 January 2023
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2022/1 January 2023 <sup>#</sup>
Amendments to MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred/1 January 2023 <sup>#</sup>
Amendments to MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
Amendments to MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/1 January 2023 <sup>#</sup>
Amendments to MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 140	Investment Property	1 January 2023 <sup>#</sup>
Amendments to MFRS 141	Agriculture	1 January 2022 <sup>^</sup>

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

<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 auditors report of the preceding annual financial statements was 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 2021, 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

On 2 April 2021, the Company had declared an interim single-tier dividend of 2.5 sen per ordinary share in respect of the current year profits for the financial year ended 31 December 2020 amounting to RM4,722,512 and paid on 30 April 2021 to shareholders whose names appear in the Records of Depositors at book closure date on 19 April 2021.

## A.8 Operating Segments

The segmental information of the Group for the financial period to date 30 September 2021 are summarised as below :-

### 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 30.09.2021</b>				
External revenue				
- From continuing operations	2,129	-	-	2,129
- From discontinued operation	-	-	-	-
	<u>2,129</u>	<u>-</u>	<u>-</u>	<u>2,129</u>
Segment profit				
- From continuing operations	282	-	-	282
- From discontinued operation	-	-	-	-
	<u>282</u>	<u>-</u>	<u>-</u>	<u>282</u>
<b>3 months ended 30.09.2020</b>				
External revenue				
- From continuing operations	1,704	45	-	1,749
- From discontinued operation	-	-	-	-
	<u>1,704</u>	<u>45</u>	<u>-</u>	<u>1,749</u>
Segment (loss)/profit				
- From continuing operations	(208)	3	-	(205)
- From discontinued operation	-	-	-	-
	<u>(208)</u>	<u>3</u>	<u>-</u>	<u>(205)</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 30.09.2021</b>				
External revenue				
- From continuing operations	6,867	-	-	6,867
- From discontinued operation	-	-	-	-
	<u>6,867</u>	<u>-</u>	<u>-</u>	<u>6,867</u>
Segment profit				
- From continuing operations	1,323	-	-	1,323
- From discontinued operation	-	-	-	-
	<u>1,323</u>	<u>-</u>	<u>-</u>	<u>1,323</u>
<b>9 months ended 30.09.2020</b>				
External revenue				
- From continuing operations	6,094	219	-	6,313
- From discontinued operation	-	-	4,225	4,225
	<u>6,094</u>	<u>219</u>	<u>4,225</u>	<u>10,538</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>

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

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
Total profit/(loss) from reportable segments				
- From continuing operations	282	(205)	1,323	519
- From discontinued operation	-	-	-	(398)
Other non-reportable segments				
- From continuing operations	(521)	(1,524)	(2,450)	(12,984)
- From discontinued operation	-	-	-	59,364
Share of results of associates	(3,284)	(559)	(2,970)	(2,264)
(Loss)/Profit before tax	<u>(3,523)</u>	<u>(2,288)</u>	<u>(4,097)</u>	<u>44,237</u>
Tax expense	(66)	(205)	(240)	(195)
(Loss)/Profit for the period	<u>(3,589)</u>	<u>(2,493)</u>	<u>(4,337)</u>	<u>44,042</u>

### b. By Geographical Location

#### External revenue

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
Malaysia	2,129	1,704	6,867	6,094
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	-	45	-	219
- From discontinued operation	-	-	-	4,225
	<u>2,129</u>	<u>1,749</u>	<u>6,867</u>	<u>10,538</u>



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

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

#### (Loss)/Profit for the period

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
Malaysia	(39)	(1,549)	(715)	(2,593)
The People's Republic of China (incl. Hong Kong)				
- From continuing operations	(3,484)	(739)	(3,382)	(12,136)
- From discontinued operation	-	-	-	58,966
(Loss)/Profit before tax	<b>(3,523)</b>	<b>(2,288)</b>	<b>(4,097)</b>	<b>44,237</b>
Tax expense	(66)	(205)	(240)	(195)
(Loss)/Profit for the period	<b>(3,589)</b>	<b>(2,493)</b>	<b>(4,337)</b>	<b>44,042</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 RM126.3 million of which RM88.4 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.

Profit attributable to the discontinued operation were as follows:-

	INDIVIDUAL PERIOD (Q3)		CUMULATIVE PERIOD	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
Revenue	-	-	-	4,225
Operating costs	-	-	-	(4,393)
Other income	-	-	-	17
	-	-	-	<b>(151)</b>
Finance costs	-	-	-	(247)
<b>Loss before tax</b>	-	-	-	<b>(398)</b>
Tax expense	-	-	-	(6)
<b>Loss for the period</b>	-	-	-	<b>(404)</b>
Gain on disposal of a subsidiary	-	-	-	59,364
<b>Profit for the period from discontinued operation</b>	-	-	-	<b>58,960</b>

#### A.9 Discontinued Operation (cont'd)

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

	CUMULATIVE PERIOD	
	Current year to date	Preceding year corresponding period
	30.09.2021	30.09.2020
	RM'000	RM'000
Operating cash flows	-	(1,367)
Investing cash flows	-	(1)
Financing cash flows	-	(39)
Effects of exchange rate changes on cash and cash equivalents	-	1,287
	<u>-</u>	<u>(120)</u>

#### A.10 Valuations of Property, Plant and Equipment

There were no valuation of property, plant and equipment of the Group during the current financial quarter under review.

#### 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

On 9 September 2021, ISH Logistics Group Limited, ISH Group (BVI) Limited and Integrated Logistics (China) Co. Limited in which ILB has 70% effective equity interest ("Subsidiaries"), have commenced Members' Voluntary Winding-up ("Winding-up"). The Subsidiaries are not major subsidiaries of ILB and have ceased business operations.

As part to the Winding-up, ISH Group (BVI) Limited transferred its 70% equity stake in Integrated Logistics (H.K.) Limited ("ILHK") to ILB International (BVI) Limited ("ILB BVI") in which ILB has 70% effective equity interest, and 30% equity stake to Shun Hing China Investment Limited. There is no change of the effective interest of ILB (BVI) in ILHK.

On 20 September 2021, IL Energy Sdn. Bhd. ("IL Energy"), a wholly-owned subsidiary of ILB, acquired 1,000,000 ordinary shares representing 10% of the issued and paid-up capital of IL Power Sdn. Bhd. ("IL Power") from Bumi Aman Sdn. Bhd for a total cash consideration of RM1 million. The equity interest in IL Power held by IL Energy had changed from 90% to 100%.

#### 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 RM31.7 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 that 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 2021, the Group posted revenue of RM6.9 million which was 8.8% higher than the revenue of RM6.3 million for the corresponding period in the preceding year. The higher revenue was mainly due to a temporary selective shutdown arising from faulty inverters in prior year in respect of the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM4.1 million for the current financial period which was a much better result when compared against the pre-tax loss for the corresponding period in the preceding year of RM14.7 million. The improved performance through reduced loss of RM10.6 million was due to the lower operating costs and finance costs totalling RM10.9 million mainly from the cessation of overseas business operations in the People's Republic of China and Hong Kong offsetted by the incremental loss of RM0.7 million from share of results of an associate listed on Singapore Exchange (SGX).

##### Discontinued operation

There was no revenue and profit or loss arising from discontinued operation for the current financial period because the disposal of a subsidiary in IEL Suzhou in the People's Republic of China pursuant to the SPA was completed in financial year 31 December 2020. ( 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 under review, the Group posted revenue of RM2.1 million which was 21.7% higher than the revenue of RM1.7 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to a temporary selective shutdown arising from faulty inverter in prior year in respect of the solar energy & related business segment of the Group's operations in Malaysia.

The Group posted a pre-tax loss of RM3.5 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 loss of RM1.2 million for the current quarter was due to the incremental loss of RM2.7 million sustained in the share of results of an associate of which the impact was offsetted by the lower operating costs and finance costs totalling RM1.0 million mainly from the cessation of overseas business operations in the People's Republic of China and Hong Kong.

##### Discontinued operation

There was no revenue and profit or loss arising from discontinued operation for the current quarter because the disposal of a subsidiary in IEL Suzhou in the People's Republic of China pursuant to the SPA was completed in financial year 31 December 2020. ( Pls refer to note A.9 )

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

	Current quarter ended 30.09.2021 RM'000	Immediate preceding quarter ended 30.06.2021 RM'000
Revenue		
- From continuing operations	<u>2,129</u>	<u>2,209</u>
Loss before tax		
- From continuing operations	<u>(3,523)</u>	<u>(1,349)</u>

For the current quarter, the Group recorded revenue of RM2.1 million which was 3.62% lower than the RM2.2 million in the preceding quarter. The lower revenue was mainly due to the revenue decrease from the solar energy & related business segment of the Group's operations in Malaysia.

The current quarter pre-tax loss of RM3.5 million when compared against the immediate preceding quarter pre-tax loss of RM1.3 million resulted in an incremental loss of RM2.2 million. This was mainly due from the incremental loss of RM3.1 million sustained in the share of results of an associate of which the impact was offsetted by the lower operating costs and finance costs totalling RM0.9 million from the Group business operations.

### B.3 Prospects

The pandemic had caused economic concerns and market conditions remain a challenge.

With the experience gained in the solar power plant installations, the Group will actively pursue renewable energy projects in the private sector where companies are focusing on Environmental, Social and Governance ("ESG") goals to reduce the carbon footprint.

### B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

### B.5 Tax Expense

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
Tax expense comprises :-				
<b><u>Continuing operations</u></b>				
Current income tax				
- current period	73	217	263	217
- under/(over) provision	-	(5)	-	(5)
Deferred tax				
- reversal of temporary differences	(7)	(7)	(23)	(23)
	<u>66</u>	<u>205</u>	<u>240</u>	<u>189</u>
<b><u>Discontinued operation</u></b>				
Current income tax				
- under/(over) provision	-	-	-	6
	<u>66</u>	<u>205</u>	<u>240</u>	<u>195</u>
Tax expense for the financial period				

The Group's effective tax rate for the current year quarter and current year to date under review are higher than the statutory income tax rate of 24% mainly due to certain expenses which are disallowed from tax deduction purposes.

### B.6 Status of Corporate Proposals

The status of utilisation of proceeds raised from the Proposed Disposal as mentioned in A.9 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	37,678	Within 60 months from the closing date on 01.04.2020	-	-
Working capital of the Group	16,674	16,674	- " -	-	-
Payment of Withholding Tax	6,322	6,322	-	-	-
Defraying expenses incidental to the Proposed Disposal	7,261	7,261	-	-	-
Repayment of borrowings	8,151	8,151	-	-	-
<b>Total</b>	<b>88,408</b>	<b>76,086</b>			

## B.7 Group Borrowings and Debt Securities

	As at 30.09.2021					
	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	18,816	-	-	-	18,816	-
- RM	-	29,349	-	4,804	-	34,153
	18,816	29,349	-	4,804	18,816	34,153

	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

## 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

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 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)				
- From continuing operations	(2,546)	(2,307)	(3,227)	(11,352)
- From discontinued operation	-	-	-	(103)
- Gain on disposal of a subsidiary	-	-	-	40,755
	<u>(2,546)</u>	<u>(2,307)</u>	<u>(3,227)</u>	<u>29,300</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	(1.3)	(1.2)	(1.7)	(6.0)
- From discontinued operation	-	-	-	(0.1)
- Gain on disposal of a subsidiary	-	-	-	21.6
	<u>(1.3)</u>	<u>(1.2)</u>	<u>(1.7)</u>	<u>15.5</u>

## B.12 Loss Before Tax

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

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER	
	Current year quarter 30.09.2021 RM'000	Preceding year corresponding quarter 30.09.2020 RM'000	Current year to date 30.09.2021 RM'000	Preceding year corresponding period 30.09.2020 RM'000
<b><u>Continuing operations</u></b>				
Depreciation and amortisation	1,198	1,359	3,615	4,008
Gain on disposal of property, plant and equipment	(30)	-	(30)	-
(Gain)/Loss on foreign exchange				
- realised	(46)	(292)	(7)	(937)
- unrealised	(39)	156	(326)	(423)
Income distribution from other investments	(15)	(8)	(39)	(88)
Interest expense	447	687	1,492	2,708
Interest income	(585)	(227)	(1,840)	(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  
29 November 2021