

ILB GROUP BERHAD [199101019353 (229690 K)]
(Formerly known as Integrated Logistics Berhad)
Interim Report For The Financial Period Ended 31 March 2022

(The figures have not been audited)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	8,927	2,529	8,927	2,529
Direct operating costs	<u>(7,280)</u>	<u>(1,283)</u>	<u>(7,280)</u>	<u>(1,283)</u>
Gross profit	1,647	1,246	1,647	1,246
Other income	1,224	1,405	1,224	1,405
Administrative expenses	(1,754)	(1,767)	(1,754)	(1,767)
Other expenses	<u>(12)</u>	<u>(86)</u>	<u>(12)</u>	<u>(86)</u>
Operating profit	1,105	798	1,105	798
Finance costs	(399)	(532)	(399)	(532)
Share of results of associates	<u>(1,228)</u>	<u>509</u>	<u>(1,228)</u>	<u>509</u>
(Loss)/Profit before tax	(522)	775	(522)	775
Tax expense	<u>(236)</u>	<u>(94)</u>	<u>(236)</u>	<u>(94)</u>
(Loss)/Profit for the period	<u>(758)</u>	<u>681</u>	<u>(758)</u>	<u>681</u>
(Loss)/Profit attributable to:				
Owners of the Company	(364)	548	(364)	548
Non-controlling interests	<u>(394)</u>	<u>133</u>	<u>(394)</u>	<u>133</u>
(Loss)/Profit for the period	<u>(758)</u>	<u>681</u>	<u>(758)</u>	<u>681</u>

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 2021 and the accompanying explanatory notes attached to this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
(Loss)/Profit for the period	(758)	681	(758)	681
Other comprehensive income that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	375	1,601	375	1,601
Other comprehensive income for the period	375	1,601	375	1,601
Total comprehensive (loss)/income for the period, net of tax	<u>(383)</u>	<u>2,282</u>	<u>(383)</u>	<u>2,282</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(107)	1,615	(107)	1,615
Non-controlling interests	(276)	667	(276)	667
	<u>(383)</u>	<u>2,282</u>	<u>(383)</u>	<u>2,282</u>
Basic earnings per share attributable to owners of the Company (sen)	<u>(0.2)</u>	<u>0.3</u>	<u>(0.2)</u>	<u>0.3</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 2021.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.03.2022 RM'000	AS AT 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	133,381	134,517
Intangible assets	2,044	2,076
Interest in associates	53,206	54,182
Other investments	270	270
Receivables	-	3,229
	<u>188,901</u>	<u>194,274</u>
Current assets		
Receivables	20,435	17,020
Contract assets	223	1,873
Contract costs	17	4
Deposits, cash & bank balances	86,575	86,032
	<u>107,250</u>	<u>104,929</u>
TOTAL ASSETS	<u>296,151</u>	<u>299,203</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	225,671	225,671
Reserves	(1,508)	(1,401)
Treasury shares	(4,797)	(4,797)
	<u>219,366</u>	<u>219,473</u>
Non-controlling interests	20,914	21,190
Total equity	<u>240,280</u>	<u>240,663</u>
Non-current liabilities		
Term loans	26,945	46,843
Deferred tax liabilities	987	995
	<u>27,932</u>	<u>47,838</u>
Current liabilities		
Payables	3,895	5,637
Term loans	23,611	4,808
Tax liabilities	433	257
	<u>27,939</u>	<u>10,702</u>
Total liabilities	55,871	58,540
TOTAL EQUITY AND LIABILITIES	<u>296,151</u>	<u>299,203</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.16</u>	<u>1.16</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 2021 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Operating Activities		
(Loss)/Profit before tax	(522)	775
Adjustments for :-		
Depreciation and amortisation	1,190	1,208
Income distribution from other investments	-	(14)
Interest expense	399	532
Interest income	(707)	(456)
Share of results of associates	1,228	(509)
Unrealised gain on foreign exchange	(22)	(530)
Operating profit before working capital changes	1,566	1,006
Changes in working capital :-		
Receivables	(3,911)	281
Contract assets	1,650	-
Contract costs	(13)	-
Payables	(1,742)	(44)
Net cash (used in)/generated from operations	(2,450)	1,243
Interest paid	(399)	(532)
Tax paid	(68)	(201)
Net cash (used in)/from operating activities	(2,917)	510
Investing Activities		
Cash received from a third party receivable	3,856	3,761
Interest received	707	470
Net placement of short term fund	-	(2,014)
Purchase of property, plant and equipment	(22)	(18)
(Placement)/Withdrawal of deposits with licensed banks	(123)	40,342
Net cash from investing activities	4,418	42,541
Financing Activities		
Dividends paid to non-controlling interests	-	(3,667)
Repayments of term loans	(1,200)	(3,696)
Net cash used in financing activities	(1,200)	(7,363)
Net increase in cash and cash equivalents	301	35,688
Effects of exchange rate changes on cash and cash equivalents	119	714
Cash and cash equivalents at the beginning of the period	62,763	47,551
Cash and cash equivalents at the end of the period	63,183	83,953

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 2021 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Non-Distributable-----→				←-----Distributable-----→			Non-controlling interests RM'000	Total equity RM'000
	Share capital 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		
As at 1 January 2022	225,671	8,285	-	9,876	(4,797)	(19,562)	219,473	21,190	240,663
Loss for the period	-	-	-	-	-	(364)	(364)	(394)	(758)
Other comprehensive income	-	257	-	-	-	-	257	118	375
Total comprehensive income/(loss) for the period	-	257	-	-	-	(364)	(107)	(276)	(383)
As at 31 March 2022	225,671	8,542	-	9,876	(4,797)	(19,926)	219,366	20,914	240,280
As at 1 January 2021	225,671	7,137	65	9,876	(4,797)	(23,160)	214,792	21,088	235,880
Profit for the period	-	-	-	-	-	548	548	133	681
Other comprehensive income	-	1,067	-	-	-	-	1,067	534	1,601
Total comprehensive income for the period	-	1,067	-	-	-	548	1,615	667	2,282
Transaction with owners									
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,667)	(3,667)
Total transactions with owners	-	-	-	-	-	-	-	(3,667)	(3,667)
As at 31 March 2021	225,671	8,204	65	9,876	(4,797)	(22,612)	216,407	18,088	234,495

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 2021 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 2021.

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 2021 except for the following:

The amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 16	Leases
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 2022 with practical expedients permitted under the standards. Comparatives for 2021 are not restated.

The Group have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued but yet to be effective:

		Effective for annual periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
Amendments to MFRS 3	Business Combinations	1 January 2023#
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2023#
Amendments to MFRS 9	Financial Instruments	1 January 2023#
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 15	Revenue from Contracts with Customers	1 January 2023#
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 107	Statements of Cash Flows	1 January 2023#
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 2023#
Amendments to MFRS 119	Employee Benefits	1 January 2023#
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred/1 January 2023#
Amendments to MFRS 132	Financial Instruments: Presentation	1 January 2023#
Amendments to MFRS 136	Impairment of Assets	1 January 2023#
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
Amendments to MFRS 138	Intangible Assets	1 January 2023#
Amendments to MFRS 140	Investment Property	1 January 2023#

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

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

A.2 Qualification of Preceding Annual Financial Statements

The 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 31 March 2022, 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 segmental information of the Group for the financial period to date 31 March 2022 are summarised as below :-

a. By Activity

	Solar energy & related businesses RM'000	Consolidated RM'000
3 months ended 31.03.2022		
External revenue	8,927	8,927
Segment profit	974	974
3 months ended 31.03.2021		
External revenue	2,529	2,529
Segment profit	621	621

Reconciliation of reportable segment (loss)/profit

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Total profit for reportable segments	974	621	974	621
Other non-reportable segments	(268)	(355)	(268)	(355)
Share of results of associates	(1,228)	509	(1,228)	509
(Loss)/Profit before tax	(522)	775	(522)	775
Tax expense	(236)	(94)	(236)	(94)
(Loss)/Profit for the period	(758)	681	(758)	681

A.8 Operating Segments (cont'd)

b. By Geographical Location

External revenue

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Malaysia	8,927	2,529	8,927	2,529
	<u>8,927</u>	<u>2,529</u>	<u>8,927</u>	<u>2,529</u>

(Loss)/Profit for the period

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Malaysia	868	299	868	299
The People's Republic of China (incl. Hong Kong)	(1,390)	476	(1,390)	476
(Loss)/Profit before tax	(522)	775	(522)	775
Tax expense	(236)	(94)	(236)	(94)
(Loss)/Profit for the period	<u>(758)</u>	<u>681</u>	<u>(758)</u>	<u>681</u>

A.9 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.10 Material Subsequent Events

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

A.11 Changes in The Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A.12 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 RM29.6 million.

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

A.13 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

For the current quarter under review, the Group posted revenue of RM8.9 million which was 253.0% higher than the revenue of RM2.5 million for the corresponding quarter in the preceding year. The higher revenue was mainly due to revenue from projects such as outright sale of Solar PV Systems and trading of solar panels obtained in the current quarter under review.

The Group posted a pre-tax loss of RM0.5 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM0.8 million. The decrease in pre-tax profit of RM1.3 million for the current quarter was mainly due to the decrease in profit of RM1.7 million from share of results of an associate listed on Singapore Exchange (SGX), offsetted by the profit generated from increase on revenue of RM0.4 million from the Group business operations.

B.2 Comparison With Immediate Preceding Quarter's Results

	Current quarter ended 31.03.2022 RM'000	Immediate preceding quarter ended 31.12.2021 RM'000
Revenue	<u>8,927</u>	<u>7,894</u>
(Loss)/Profit before tax	<u>(522)</u>	<u>17,108</u>

For the current quarter, the Group recorded revenue of RM8.9 million which was 13.1% higher than the RM7.9 million in the preceding quarter. The higher revenue was mainly due to the revenue increase from the solar energy & related business segment of the Group's operations in Malaysia.

The current quarter pre-tax loss of RM0.5 million when compared against the immediate preceding quarter pre-tax profit of RM17.1 million resulted in a decremental profit of RM17.6 million. This was mainly due from the exclusion of the immediate preceding quarter reversal of impairment loss of RM14.9 million from an associate in Singapore, the RM3.6 million gain on dissolution of a subsidiary, Integrated Logistics (China) Co. Limited, and the reduce in profit of RM0.3 million from the associate in Singapore, of which the impact was offsetted by lower operating costs coupled with higher other income totalling RM1.2 million from the Group business operations.

B.3 Prospects

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

The solar photovoltaics industry in Malaysia is on the rise as a result of strengthening government support and growing investor confidence through positive measures and incentives from the Malaysian Government. Solar photovoltaics industry in Malaysia is well poised for more growth given favourable conditions that are developing.

With the experience gained in the solar power plant installations, the Group will actively pursue renewable energy projects from both public and private sectors 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 (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Tax expense comprises :-				
Current income tax				
- Current income tax charge	244	102	244	102
Deferred tax				
- Reversal of temporary differences	(8)	(8)	(8)	(8)
Tax expense for the financial period	<u>236</u>	<u>94</u>	<u>236</u>	<u>94</u>

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 income which are taxable and expenses which are disallowed from tax deduction purposes.

B.6 Status of Corporate Proposals

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 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 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 and received the said final payment of RMB3.6 million or approximately RM2.1 million on 15 July 2020. After 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.

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	48,076	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	-	-	-
Total	88,408	86,484			

B.7 Group Borrowings and Debt Securities

	As at 31.03.2022					
	Long term borrowings		Short term borrowings		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured :-						
Term loans						
- HKD	-	-	18,802	-	18,802	-
- RM	-	26,945	-	4,809	-	31,754
	-	26,945	18,802	4,809	18,802	31,754

	As at 31.03.2021					
	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
Secured :-						
Term loans						
- HKD	18,666	-	-	-	18,666	-
- RM	-	31,753	-	14,795	-	46,548
	18,666	31,753	-	14,795	18,666	46,548

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 Earnings Per Share ("EPS")

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
(Loss)/Profit attributable to owners of the Company (RM'000)	(364)	548	(364)	548
Weighted average number of ordinary shares for basic EPS ('000)	188,900	188,900	188,900	188,900
Basic EPS (sen)	<u>(0.2)</u>	<u>0.3</u>	<u>(0.2)</u>	<u>0.3</u>

B.12 Profit before tax

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

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Depreciation and amortisation	1,190	1,208	1,190	1,208
Income distribution from other investments	-	(14)	-	(14)
Interest expense	399	532	399	532
Interest income	(707)	(456)	(707)	(456)
(Gain)/Loss on foreign exchange				
- realised	(74)	79	(74)	79
- unrealised	(22)	(530)	(22)	(530)

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
27 May 2022