

ILB GROUP BERHAD [199101019353 (229690 K)]
(Formerly known as Integrated Logistics Berhad)
Interim Report For The Financial Period Ended 30 June 2022

(The figures have not been audited)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue	2,494	2,209	11,421	4,738
Direct operating costs	<u>(1,486)</u>	<u>(1,207)</u>	<u>(8,766)</u>	<u>(2,490)</u>
Gross profit	1,008	1,002	2,655	2,248
Other income	1,420	980	2,622	2,383
Administrative expenses	(1,966)	(2,624)	(3,720)	(4,391)
Other expenses	<u>(2,083)</u>	<u>1</u>	<u>(2,073)</u>	<u>(83)</u>
Operating (loss)/profit	(1,621)	(641)	(516)	157
Finance costs	(417)	(513)	(816)	(1,045)
Share of results of associates	64	(195)	(1,164)	314
Impairment loss on interest in an associate	<u>(4,661)</u>	<u>-</u>	<u>(4,661)</u>	<u>-</u>
Loss before tax	(6,635)	(1,349)	(7,157)	(574)
Tax credit/(expense)	<u>87</u>	<u>(80)</u>	<u>(149)</u>	<u>(174)</u>
Loss for the period	<u>(6,548)</u>	<u>(1,429)</u>	<u>(7,306)</u>	<u>(748)</u>
Loss attributable to:				
Owners of the Company	(4,602)	(1,229)	(4,966)	(681)
Non-controlling interests	<u>(1,946)</u>	<u>(200)</u>	<u>(2,340)</u>	<u>(67)</u>
Loss for the period	<u>(6,548)</u>	<u>(1,429)</u>	<u>(7,306)</u>	<u>(748)</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 (Q2)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Loss for the period	(6,548)	(1,429)	(7,306)	(748)
<i>Other comprehensive income that will not be reclassified subsequently to profit or loss</i>				
Revaluation gain on properties	10,071	-	10,071	-
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	2,735	414	3,110	2,015
Other comprehensive income for the period	12,806	414	13,181	2,015
Total comprehensive income/(loss) for the period, net of tax	6,258	(1,015)	5,875	1,267
Total comprehensive income/(loss) attributable to:				
Owners of the Company	7,469	(945)	7,362	670
Non-controlling interests	(1,211)	(70)	(1,487)	597
	6,258	(1,015)	5,875	1,267
Basic loss per share attributable to owners of the Company (sen)	(2.4)	(0.7)	(2.6)	(0.4)

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 30.06.2022 RM'000	AS AT 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	142,738	134,517
Intangible assets	2,011	2,076
Interest in associates	50,563	54,182
Other investments	270	270
Receivables	-	3,229
	<u>195,582</u>	<u>194,274</u>
Current assets		
Receivables	12,798	17,020
Contract assets	267	1,873
Contract costs	34	4
Deposits, cash & bank balances	94,072	86,032
	<u>107,171</u>	<u>104,929</u>
TOTAL ASSETS	<u>302,753</u>	<u>299,203</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	225,671	225,671
Reserves	5,961	(1,401)
Treasury shares	(4,797)	(4,797)
	<u>226,835</u>	<u>219,473</u>
Non-controlling interests	12,265	21,190
Total equity	<u>239,100</u>	<u>240,663</u>
Non-current liabilities		
Term loans	25,742	46,843
Deferred tax liabilities	1,510	995
	<u>27,252</u>	<u>47,838</u>
Current liabilities		
Payables	11,639	5,637
Term loans	24,477	4,808
Tax liabilities	285	257
	<u>36,401</u>	<u>10,702</u>
Total liabilities	63,653	58,540
TOTAL EQUITY AND LIABILITIES	<u>302,753</u>	<u>299,203</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.20</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

	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Operating Activities		
Loss before tax	(7,157)	(574)
Adjustments for :-		
Depreciation and amortisation	2,380	2,417
Income distribution from other investments	-	(24)
Impairment loss on interest in an associate	4,661	-
Interest expense	816	1,045
Interest income	(1,495)	(1,255)
Share of results of associates	1,164	(314)
Unrealised loss/(gain) on foreign exchange	305	(287)
Operating profit before working capital changes	674	1,008
Changes in working capital :-		
Receivables	918	612
Contract assets	1,606	-
Contract costs	(30)	-
Payables	6,003	66
Net cash generated from operations	9,171	1,686
Interest paid	(816)	(1,045)
Tax paid	(137)	(257)
Net cash from operating activities	8,218	384
Investing Activities		
Cash received from a third party receivable	7,728	8,800
Interest received	1,495	1,279
Net placement of short term fund	-	(2,474)
Purchase of property, plant and equipment	(515)	(35)
(Placement)/Withdrawal of deposits with licensed banks	(20,409)	40,342
Net cash (used in)/from investing activities	(11,701)	47,912
Financing Activities		
Dividends paid	-	(4,723)
Dividends paid to non-controlling interests	(7,438)	(3,672)
Repayments of term loans	(2,402)	(9,892)
Net cash used in financing activities	(9,840)	(18,287)
Net (decrease)/increase in cash and cash equivalents	(13,323)	30,009
Effects of exchange rate changes on cash and cash equivalents	953	1,037
Cash and cash equivalents at the beginning of the period	62,763	47,551
Cash and cash equivalents at the end of the period	50,393	78,597

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.

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
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	-	-	-	-	-	-	(4,966)	(4,966)	(2,340)	(7,306)
Other comprehensive income	-	10,071	2,257	-	-	-	-	12,328	853	13,181
Total comprehensive income/(loss) for the period	-	10,071	2,257	-	-	-	(4,966)	7,362	(1,487)	5,875
Transaction with owners										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(7,438)	(7,438)
As at 30 June 2022	225,671	10,071	10,542	-	9,876	(4,797)	(24,528)	226,835	12,265	239,100
As at 1 January 2021	225,671	-	7,137	65	9,876	(4,797)	(23,160)	214,792	21,088	235,880
Loss for the period	-	-	-	-	-	-	(681)	(681)	(67)	(748)
Other comprehensive income	-	-	1,351	-	-	-	-	1,351	664	2,015
Total comprehensive income/(loss) for the period	-	-	1,351	-	-	-	(681)	670	597	1,267
Transaction with owners										
Dividends paid	-	-	-	-	-	-	(4,723)	(4,723)	-	(4,723)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,672)	(3,672)
Total transactions with owners	-	-	-	-	-	-	(4,723)	(4,723)	(3,672)	(8,395)
As at 30 June 2021	225,671	-	8,488	65	9,876	(4,797)	(28,564)	210,739	18,013	228,752

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 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture

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 30 June 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 30 June 2022 are summarised as below :-

a. By Activity

	Solar energy & related businesses RM'000	Consolidated RM'000
3 months ended 30.06.2022		
External revenue	<u>2,494</u>	<u>2,494</u>
Segment profit	<u>320</u>	<u>320</u>
3 months ended 30.06.2021		
External revenue	<u>2,209</u>	<u>2,209</u>
Segment profit	<u>420</u>	<u>420</u>
	Solar energy & related businesses RM'000	Consolidated RM'000
6 months ended 30.06.2022		
External revenue	<u>11,421</u>	<u>11,421</u>
Segment profit	<u>1,294</u>	<u>1,294</u>
6 months ended 30.06.2021		
External revenue	<u>4,738</u>	<u>4,738</u>
Segment profit	<u>1,041</u>	<u>1,041</u>

A.8 Operating Segments (cont'd)

a. By Activity (cont'd)

Reconciliation of reportable segment profit/(loss)

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Total profit for reportable segments	320	420	1,294	1,041
Other non-reportable segments	(2,358)	(1,574)	(2,626)	(1,929)
Share of results of associates	64	(195)	(1,164)	314
Impairment loss on interest in an associate	(4,661)	-	(4,661)	-
Loss before tax	(6,635)	(1,349)	(7,157)	(574)
Tax credit/(expense)	87	(80)	(149)	(174)
Loss for the period	(6,548)	(1,429)	(7,306)	(748)

b. By Geographical Location

External revenue

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Malaysia	2,494	2,209	11,421	4,738
	2,494	2,209	11,421	4,738

Loss for the period

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Malaysia	(124)	(975)	744	(676)
The People's Republic of China (incl. Hong Kong)	(6,511)	(374)	(7,901)	102
Loss before tax	(6,635)	(1,349)	(7,157)	(574)
Tax credit/(expense)	87	(80)	(149)	(174)
Loss for the period	(6,548)	(1,429)	(7,306)	(748)

A.9 Valuations of Property, Plant and Equipment

During the quarter under review, the properties were valued based on valuations performed by an independent registered valuer. The increase arising from the valuations amounted to RM10.1 million (RM10.6 million net of deferred tax liabilities impact of RM0.5 million) has been incorporated into the financial statements.

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

- a. On 9 September 2021, ISH Logistics Group Limited, ISH Group (BVI) Limited and Integrated Logistics (China) Co. Limited ("ILCN") 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.

On 1 June 2022, the application for the Members' Voluntary Winding up of Integrated Logistics (China) Co. Limited ("ILCN"), has been completed.

On 30 June 2022, the application for the Members' Voluntary Winding up of ISH Group (BVI) Limited, has been completed.

On 15 August 2022, ISH Logistics Group Limited has received the Certificate of Dissolution from the Registrar of Companies, Cayman Islands dated 9 August 2022. Pursuant to the Certificate of Dissolution, ISH Logistics Group Limited will be deemed to be dissolved on the 26 September 2022 and thereupon removed from the Companies Register maintained by Registrar of Companies, Cayman Islands.

- b. On 28 June 2022, ILB had incorporated a new 100% own subsidiary namely ILB Properties Sdn. Bhd. with an issued and paid up share capital of RM2.00.
- c. On 19 July 2022, ILB had acquired 1 ordinary share of RM1.00 in Telaga Prospek Sdn. Bhd. ("Telaga"), representing 100% of the issued and paid up share capital of Telaga for a total cash consideration of RM1.00.

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 RM28.6 million.

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

A.13 Capital Commitment

As at the end of the reporting quarter, the Group has capital commitments totalling RM1.1 million in respect of the improvement to solar photovoltaic at Bukit Kayu Hitam, Kedah.

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

For the current financial period ended 30 June 2022, the Group posted revenue of RM11.4 million which was 141.1% higher than the revenue of RM4.7 million for the corresponding period 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 financial period under review.

The Group posted a pre-tax loss of RM7.2 million for the current financial period as compared against the pre-tax loss for the corresponding period in the preceding year of RM0.6 million. Based on the comparison, the increase in pre-tax loss of RM6.6 million was mainly due to the impairment loss on interest of RM4.7 million and increased in loss of RM1.5 million from share of results of an associate listed on Singapore Exchange (SGX) and the realised loss on foreign exchange of RM1.8 million upon repatriation of fund from a dissolved subsidiary, Integrated Logistics (China) Co. Limited ("ILCN"), offsetted against the profit generated from increase in revenue of RM1.4 million from the Group business operations.

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

For the current quarter under review, the Group posted revenue of RM2.5 million which was 12.9% higher than the revenue of RM2.2 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 obtained in the current quarter under review.

The Group posted a pre-tax loss of RM6.6 million for the current quarter as compared to the pre-tax loss for the corresponding quarter in the preceding year of RM1.3 million. The increase in pre-tax loss of RM5.3 million for the current quarter was mainly due to the impairment loss on interest of RM4.7 million in an associate listed on Singapore Exchange (SGX), the realised loss on foreign exchange of RM1.8 million upon repatriation of fund from a dissolved subsidiary, ILCN, offsetted against the increase in other income of RM0.4 million, decrease in loss of RM0.3 million from share of results of an associate listed on Singapore Exchange (SGX) and lower operating costs of RM0.3 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 31.03.2022 RM'000
Revenue	<u>2,494</u>	<u>8,927</u>
Loss before tax	<u>(6,635)</u>	<u>(522)</u>

For the current quarter, the Group recorded revenue of RM2.5 million which was 72.1% lower than the RM8.9 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 RM6.6 million when compared against the immediate preceding quarter pre-tax loss of RM0.5 million resulted in an incremental loss of RM6.1 million. This was mainly due to the impairment loss on interest of RM4.7 million in an associate listed on Singapore Exchange (SGX), the realised loss on foreign exchange of RM1.8 million upon repatriation of fund from a dissolved subsidiary, ILCN, the reduce in profit resulted from decrease in revenue of RM0.6 million from the Group business operations and increase in other operating costs of RM0.6 million, offsetted by the decrease in loss of RM1.3 million from share of results of an associate listed on Singapore Exchange (SGX).

B.3 Prospects

The market conditions remain challenging, however 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 (Credit)/Expense

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Tax (credit)/expense comprises :-				
Current income tax				
- Current income tax charge	(76)	88	168	190
- Adjustment in respect of prior years	(3)	-	(3)	-
	<u>(79)</u>	<u>88</u>	<u>165</u>	<u>190</u>
Deferred tax				
- Reversal of temporary differences	(8)	(8)	(16)	(16)
Tax (credit)/expense for the financial period	<u>(87)</u>	<u>80</u>	<u>149</u>	<u>174</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

- a. 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	Deviation amount RM'000	Explanation
Future investment in other complementary businesses and/or assets	50,000	48,892	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	87,300			

- b. On 30 June 2022, the Company had entered into a conditional Sale and Purchase Agreement with Impian Nuri Sdn Bhd to acquire 9 parcels of freehold commercial land with shoplots situated in Seksyen 19, 47300 Petaling Jaya, Selangor, measuring a total of approximately 1.124 square metres for a total consideration of RM15.9 million, to be satisfied entirely via the issuance of 37,780,000 new ordinary shares in ILB at an issue price of RM0.4211 per ILB share ("Proposed Acquisition").

Both parties had on 29 July 2022 agreed to extend the conditional period expiring on 29 July 2022 to 5 August 2022 ("Extended Conditional Period"), to enable the fulfilment of the condition precedent of the SPA.

On 5 August 2022, both parties had agreed to further extend the conditional period expiring on 5 August 2022 to 4 September 2022 ("Second Extended Conditional Period"), to enable for the fulfilment of the condition precedent of the SPA.

Following the actions taken by the Company to resolve litigation matters further elaborated below at B.9, the Company had on 8 August 2022 withdrawn the additional listing application dated 7 July 2022 in relation to the Proposed Acquisition.

The Company intends to, upon taking into consideration further developments pertaining to the litigation matters, re-submit the additional listing application in relation to the Proposed Acquisition to Bursa Malaysia Securities Berhad.

- c. The Company has changed its name to ILB Group Berhad. As such, the Company's shares will be traded and quoted under the new name with effect from 9.00 a.m. Tuesday, 19 July 2022.
The stock short name and stock number remain unchanged.

B.7 Group Borrowings and Debt Securities

	As at 30.06.2022					
	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	-	-	19,667	-	19,667	-
- RM	-	25,742	-	4,810	-	30,552
	-	25,742	19,667	4,810	19,667	30,552

	As at 30.06.2021					
	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	18,714	-	-	-	18,714	-
- RM	-	30,552	-	9,800	-	40,352
	18,714	30,552	-	9,800	18,714	40,352

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

a. In the High Court of Malaya at Shah Alam Suit No. BA-22NCvC-1257-08/2022

On 3 August 2022, the Company had received an originating summons ("OS") filed in the High Court of Malaya at Shah Alam dated 2 August 2022 from BT Investment Capital Limited ("Plaintiff") against (1) Tee Tuan Sem, (2) Datuk Karownikaran @ Karunikaran Ramasamy, (3) Makoto Takahashi, (4) Wan Azfar bin Wan Annuar, (5) Dato Wan Hashim bin Wan Jusoh, (6) Soh Eng Hooi, (7) Jamilah binti Kamal, (8) Impian Nuri Sdn Bhd, (9) ILB (collectively "Defendant"). The OS is in relation to the Proposed Acquisition [CCAC1]. (Please refer to note B.6b)

The OS is an oppression action filed pursuant section 346 of the Companies Act 2016. The reliefs asked for in the OS are set out below :-

- (1) An order to prohibit and/or cancel the Proposed Acquisition of commercial properties by ILB to 8th Defendant and subject to the terms therein contained.
- (2) An order that all costs to be borne by the 1st to 7th Defendants including, but not limited to, the costs and expenses incurred by ILB.
- (3) Any orders as to costs against 1st to 7th Defendants be on a solicitor-client indemnity basis.
- (4) Such further or other orders or directions be made or given by the Court as it determines just in the circumstances.

The circumstances leading to the filing of the OS is in respect of the sale and purchase agreement dated 30 June.2022 entered into by the Company with the 8th Defendant named in the OS (Impian Nuri Sdn Bhd), which purchase by the Company is to be satisfied by the issue of 37,780,000 new ordinary shares in the Company.

On 5 August 2022, the Plaintiff had filed an application for injunction and sought for the reliefs as set out below ("Injunction Application").

- (i) An interim injunction to restrain a conditional sale and purchase agreement that has been entered between ILB and the 8th Defendant for ILB to acquire the properties for a purchase consideration of approximately RM15.9 million, to be satisfied entirely via the issuance of 37,780,000 new ordinary shares in ILB at an issue price of RM0.4211 per ILB Share to the 8th Defendant pending disposal of the OS;
- (ii) Costs in the cause; and
- (iii) Other relief that the Court deems fit and proper.

B.9 Material Litigation (cont'd)

a. In the High Court of Malaya at Shah Alam Suit No. BA-22NCvC-1257-08/2022 (cont'd)

On 8 August 2022, ILB and its directors had filed an application to strike out the OS ('Striking Out Application') on the basis that the Plaintiff had no *locus standi* to file the OS as it is not a member of the Company.

On 16 August 2022, the Plaintiff further filed an application for, among others, that UOB Kay Hian Nominees (Asing) Sdn Bhd and Best Venture Capital Sdn Bhd be added as plaintiffs in the OS ("Joinder Application").

The Striking Out Application and Joinder Application are fixed for hearing on 29 September 2022 and the Injunction Application is fixed for hearing on 7 October 2022.

The claim under the OS is not expected to have any material financial or operational implications to the Company.

b. In the High Court of Malaya at Kuala Lumpur Suit No. WA-24NCC-829-08/2022

On 5 August 2022, (1) ILB, (2) Tee Tuan Sem, (3) Datuk Karownikaran @ Karunakaran Ramasamy, (4) Makoto Takahashi, (5) Wan Azfar bin Wan Annuar, (6) Dato Wan Hashim bin Wan Jusoh, (7) Soh Eng Hooi, (8) Jamilah binti Kamal ("Plaintiff") had filed an Originating Summons in the High Court at Kuala Lumpur against (1) UOB Kay Hian Nominees (Asing) Sdn Bhd and (2) Best Venture Capital Sdn Bhd ("Defendant") pursuant to section 211 read together with section 311 of the Companies Act 2016 and Article 111 of the Constitution of the Company ("ILB Originating Summons") for the reliefs as set out below :-

(i) Declaration that the notice dated 2 August 2022 issued by the 1st and 2nd Defendants to ILB addressed to the 2nd to 8th Plaintiffs as directors of ILB ('Requisition Notice') requisitioning the 2nd to 8th Plaintiffs to convene an extraordinary general meeting of ILB ('Proposed EGM') pursuant to section 311 of the Companies Act 2016 is invalid, wrongful, unconstitutional and unlawful.

(ii) Declaration that the Plaintiffs (namely ILB and the board of directors) are not obliged in law to convene the Proposed EGM in that the Proposed EGM and the proposed resolution to be passed at the Proposed EGM ('Proposed Business') is not within the competence of the members of ILB to be passed or transacted at the Proposed EGM.

(iii) An order as to costs occasioned by the ILB Originating Summons be borne personally by the Defendants, jointly and/or severally, and paid to the Plaintiffs on an indemnity basis.

(iv) Such further order or relief as the Court shall deem fit and proper.

The next case management is fixed on 22 September 2022.

B.10 Dividend

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

B.11 Loss Per Share ("EPS")

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Loss attributable to owners of the Company (RM'000)	(4,602)	(1,229)	(4,966)	(681)
Weighted average number of ordinary shares for basic EPS ('000)	188,900	188,900	188,900	188,900
Basic EPS (sen)	<u>(2.4)</u>	<u>(0.7)</u>	<u>(2.6)</u>	<u>(0.4)</u>

B.12 Loss before tax

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

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding period 30.06.2021 RM'000
Depreciation and amortisation	1,190	1,209	2,380	2,417
Impairment loss on interest in an associate	(4,661)	-	(4,661)	-
Income distribution from other investments	-	(10)	-	(24)
Interest expense	417	513	816	1,045
Interest income	(788)	(799)	(1,495)	(1,255)
Loss/(Gain) on foreign exchange				
- realised	1,553	(40)	1,479	39
- unrealised	327	243	305	(287)

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 August 2022