

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue	2,013	7,894	16,275	14,761
Direct operating costs	<u>(1,366)</u>	<u>(6,588)</u>	<u>(12,041)</u>	<u>(10,332)</u>
Gross profit	647	1,306	4,234	4,429
Other income	1,426	1,077	5,336	4,529
Administrative expenses	(1,796)	(2,301)	(7,987)	(8,433)
Other expenses	<u>(31)</u>	<u>(115)</u>	<u>(2,324)</u>	<u>(193)</u>
Operating profit/(loss)	246	(33)	(741)	332
Finance costs	(597)	(410)	(1,916)	(1,902)
Gain on dissolution of a subsidiary	-	3,629	-	3,629
Realisation of foreign exchange translation reserve upon dissolution of subsidiaries	-	-	7,488	-
Share of results of associates	(2,186)	(939)	(1,450)	(3,909)
Reversal of impairment/(Impairment loss) on interest in an associate	<u>19,501</u>	<u>14,861</u>	<u>(4,934)</u>	<u>14,861</u>
Profit/(Loss) before tax	16,964	17,108	(1,553)	13,011
Tax expense	<u>(489)</u>	<u>(329)</u>	<u>(837)</u>	<u>(569)</u>
Profit/(Loss) for the period/year	<u>16,475</u>	<u>16,779</u>	<u>(2,390)</u>	<u>12,442</u>
Profit/(Loss) attributable to:				
Owners of the Company	11,293	11,548	170	8,321
Non-controlling interests	<u>5,182</u>	<u>5,231</u>	<u>(2,560)</u>	<u>4,121</u>
Profit/(Loss) for the period/year	<u>16,475</u>	<u>16,779</u>	<u>(2,390)</u>	<u>12,442</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 (Q4)		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit/(Loss) for the period/year	16,475	16,779	(2,390)	12,442
<i>Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss</i>				
Revaluation gain on properties	(165)	-	9,906	-
<i>Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(11,639)	3,384	(6,231)	5,637
Realisation of foreign exchange translation reserve upon dissolution of subsidiaries	-	(3,903)	(7,488)	(3,903)
Fair value gain on other investment	30	-	30	-
Other comprehensive (loss)/income for the period/year	(11,774)	(519)	(3,783)	1,734
Total comprehensive income/(loss) for the period/year, net of tax	<u>4,701</u>	<u>16,260</u>	<u>(6,173)</u>	<u>14,176</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	2,932	11,200	(1,660)	9,479
Non-controlling interests	1,769	5,060	(4,513)	4,697
	<u>4,701</u>	<u>16,260</u>	<u>(6,173)</u>	<u>14,176</u>
Basic/Diluted earnings per share attributable to owners of the Company (sen)	<u>6.0</u>	<u>6.1</u>	<u>0.1</u>	<u>4.4</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 31.12.2022 RM'000	AS AT 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	141,414	134,517
Intangible assets	1,946	2,076
Interest in associates	40,633	54,182
Other investments	300	270
Receivables	-	3,229
	<u>184,293</u>	<u>194,274</u>
Current assets		
Inventories	824	-
Receivables	9,918	17,020
Contract assets	-	1,873
Contract costs	-	4
Deposits, cash & bank balances	93,779	86,032
	<u>104,521</u>	<u>104,929</u>
TOTAL ASSETS	<u><u>288,814</u></u>	<u><u>299,203</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	225,671	225,671
Reserves	(3,061)	(1,401)
Treasury shares	(4,797)	(4,797)
	<u>217,813</u>	<u>219,473</u>
Non-controlling interests	<u>9,232</u>	<u>21,190</u>
Total equity	<u><u>227,045</u></u>	<u><u>240,663</u></u>
Non-current liabilities		
Term loans	23,338	46,843
Deferred tax liabilities	2,213	995
	<u>25,551</u>	<u>47,838</u>
Current liabilities		
Payables	11,568	5,637
Contract liabilities	2	-
Term loans	24,518	4,808
Tax liabilities	130	257
	<u>36,218</u>	<u>10,702</u>
Total liabilities	<u>61,769</u>	<u>58,540</u>
TOTAL EQUITY AND LIABILITIES	<u><u>288,814</u></u>	<u><u>299,203</u></u>
Net assets per share attributable to owners of the Company (RM)	<u><u>1.15</u></u>	<u><u>1.16</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 2021 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
Operating Activities		
(Loss)/Profit before tax	(1,553)	13,011
Adjustments for :-		
Depreciation and amortisation	4,723	4,810
Gain on disposal of other investments	-	(17)
Gain on disposal of property, plant and equipment	-	(30)
Gain on dissolution of a subsidiary	-	(3,629)
Income distribution from other investments	-	(50)
Impairment loss/(Reversal of impairment) on interest in an associate	4,934	(14,861)
Interest expense	1,916	1,902
Interest income	(3,374)	(2,423)
Loss on revaluation of property, plant and equipment	406	-
Realisation of foreign exchange translation reserve upon dissolution of subsidiaries	(7,488)	-
(Reversal)/Addition of provision for employee benefits	(4)	1
Share of results of associates	1,450	3,909
Unrealised loss/(gain) on foreign exchange	402	(371)
Operating profit before working capital changes	<u>1,412</u>	<u>2,252</u>
Changes in working capital :-		
Contract assets	1,873	(1,873)
Contract costs	4	(4)
Contract liabilities	2	-
Inventories	(824)	-
Receivables	(841)	(639)
Payables	(1,704)	3,348
Net cash (used in)/generated from operations	<u>(78)</u>	<u>3,084</u>
Interest paid	(1,916)	(1,902)
Tax paid	(847)	(529)
Net cash (used in)/from operating activities	<u>(2,841)</u>	<u>653</u>
Investing Activities		
Acquisition of additional interest in a subsidiary	-	(1,000)
Cash received from a third party receivable	11,758	19,627
Interest received	3,374	2,473
Net withdrawal of short term fund	-	2,783
Proceeds from disposal of property, plant and equipment	-	30
Purchase of property, plant and equipment	(889)	(698)
(Placement)/Withdrawal of deposits with licensed banks	(25,336)	17,073
Net cash (used in)/from investing activities	<u>(11,093)</u>	<u>40,288</u>
Financing Activities		
Dividends paid	-	(4,723)
Dividends paid to non-controlling interests	-	(3,670)
Repayments of term loans	(4,803)	(17,290)
Net cash used in financing activities	<u>(4,803)</u>	<u>(25,683)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(18,737)</u>	<u>15,258</u>
Effects of exchange rate changes on cash and cash equivalents	1,148	(46)
Cash and cash equivalents at the beginning of the year	62,763	47,551
Cash and cash equivalents at the end of the year	<u><u>45,174</u></u>	<u><u>62,763</u></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 2021 and the accompanying explanatory notes attached to this interim financial report.

(The figures have not been audited)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----Non-Distributable-----						-----Distributable-----		Equity attributable to owners of the Company 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	Fair Value reserve RM'000	Other reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000			
As at 1 January 2022	225,671	-	8,285	-	-	9,876	(4,797)	(19,562)	219,473	21,190	240,663
Profit/(Loss) for the period	-	-	-	-	-	-	-	170	170	(2,560)	(2,390)
Other comprehensive income/(loss)	-	9,906	(11,766)	-	30	-	-	-	(1,830)	(1,953)	(3,783)
Total comprehensive income/(loss) for the year	-	9,906	(11,766)	-	30	-	-	170	(1,660)	(4,513)	(6,173)
Transaction with owners											
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(7,445)	(7,445)
As at 31 December 2022	225,671	9,906	(3,481)	-	30	9,876	(4,797)	(19,392)	217,813	9,232	227,045
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 year	-	-	-	-	-	-	-	8,321	8,321	4,121	12,442
Other comprehensive income	-	-	1,148	10	-	-	-	-	1,158	576	1,734
Total comprehensive income for the year	-	-	1,148	10	-	-	-	8,321	9,479	4,697	14,176
Transaction with owners											
Transfer on dissolution of a subsidiary	-	-	-	(75)	-	-	-	75	-	-	-
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	-	-	-	-	-	-	-	-	-	(3,670)	(3,670)
Total transactions with owners	-	-	-	(75)	-	-	-	(4,723)	(4,798)	(4,595)	(9,393)
As at 31 December 2021	225,671	-	8,285	-	-	9,876	(4,797)	(19,562)	219,473	21,190	240,663

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 1	First-time Adoption of Malaysian Financial Reporting Standards
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 2023/1 January 2023#/1 January 2024
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 December 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 December 2022 are summarised as below :-

a. By Activity

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
External revenue				
Solar energy & related businesses	<u>2,013</u>	<u>7,894</u>	<u>16,275</u>	<u>14,761</u>
Reconciliation of reportable segment profit/(loss)				
Total (loss)/profit for reportable segments	(65)	658	1,421	1,981
Other non-reportable segments	(286)	(1,101)	(4,078)	(3,551)
Gain on dissolution of a subsidiary	-	3,629	-	3,629
Realisation of foreign exchange translation reserve upon dissolution of subsidiaries	-	-	7,488	-
Share of results of associates	(2,186)	(939)	(1,450)	(3,909)
Reversal of impairment/(Impairment loss) on interest in an associate	<u>19,501</u>	<u>14,861</u>	<u>(4,934)</u>	<u>14,861</u>
Profit/(Loss) before tax	<u>16,964</u>	<u>17,108</u>	<u>(1,553)</u>	<u>13,011</u>
Tax expense	<u>(489)</u>	<u>(329)</u>	<u>(837)</u>	<u>(569)</u>
Profit/(Loss) for the period/year	<u>16,475</u>	<u>16,779</u>	<u>(2,390)</u>	<u>12,442</u>

A.8 Operating Segments (cont'd)

b. By Geographical Location

External revenue

The external revenue of the Group is solely generated in Malaysia.

Profit/(Loss) for the period/year

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Malaysia	(583)	(331)	(670)	(1,046)
The People's Republic of China (incl. Hong Kong)	17,547	17,439	(883)	14,057
Profit/(Loss) before tax	16,964	17,108	(1,553)	13,011
Tax expense	(489)	(329)	(837)	(569)
Profit/(Loss) for the period/year	16,475	16,779	(2,390)	12,442

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

- 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.

On 26 September 2022, the application for the Members' Voluntary Winding up of ISH Logistics Group Limited, has been completed.

- b. On 28 June 2022, ILB had incorporated a new 100% own subsidiary namely ILB Properties Sdn. Bhd. ("ILBP") with an issued and paid up share capital of RM2.00 and subsequently submitted application to strike off ILB Properties Sdn. Bhd. to Companies Commission of Malaysia on 2 November 2022. On 10 February 2023, ILBP has been successfully struck off.
- 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 and subsequently submitted application to strike off Telaga to Companies Commission of Malaysia on 5 November 2022. On 10 February 2023, Telaga has been successfully struck off.

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 RM26.5 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 RM0.5 million and RM10.7 million in respect of the improvement to solar photovoltaic at Bukit Kayu Hitam, Kedah and acquisition of assets respectively.

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 year ended 31 December 2022, the Group posted revenue of RM16.3 million which was 10.3% higher than the revenue of RM14.8 million for the corresponding period in the preceding year. The higher revenue was mainly due to revenue from trading of solar panels obtained in the current financial period under review.

The Group posted a pre-tax loss of RM1.6 million for the current financial year as compared against the pre-tax profit for the corresponding period in the preceding year of RM13.0 million. Based on the comparison, the increase in pre-tax loss of RM14.6 million was mainly due to the impairment loss on interest in an associate listed on Singapore Exchange (SGX) of RM19.8 million, the realised loss on foreign exchange of RM1.5 million upon repatriation of fund from a dissolved subsidiary in the current financial year and the loss of RM3.6 million gain on winding-up of a subsidiary, Integrated Logistics (China) Co. Limited for the corresponding period in the preceding year, and the increase in operating costs of RM0.5 million from the Group business operations, offsetted against the realisation of foreign exchange translation reserve upon dissolution of subsidiaries of RM7.5 million, increase in profit of RM2.5 million from share of results of an associate listed on Singapore Exchange (SGX) and higher other income of RM0.8 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 RM2.0 million which was 74.5% lower than the revenue of RM7.9 million for the corresponding quarter in the preceding year. The lower revenue was mainly due to revenue decrease 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 profit of RM17.0 million for the current quarter as compared to the pre-tax profit for the corresponding quarter in the preceding year of RM17.1 million. The decrease in pre-tax profit of RM0.1 million for the current quarter was mainly due to the RM3.6 million gain on winding-up of a subsidiary, Integrated Logistics (China) Co. Limited in the corresponding quarter of the preceding year, increase in loss of RM1.2 million from share of results of an associate listed on Singapore Exchange (SGX) and lower profit generated from decreased in revenue of RM0.7 million, offsetted against the reversal of impairment loss of RM4.6 million from investment in associate listed on Singapore Exchange (SGX), decrease in other operating costs and higher other income of RM0.8 million from the Group business operations.

B.2 Comparison With Immediate Preceding Quarter's Results

	Current quarter ended 31.12.2022 RM'000	Immediate preceding quarter ended 30.09.2022 RM'000
Revenue	<u>2,013</u>	<u>2,841</u>
Profit/(Loss) before tax	<u>16,964</u>	<u>(11,360)</u>

For the current quarter, the Group recorded revenue of RM2.0 million which was 29.1% lower than the RM2.8 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 profit of RM17.0 million when compared against the immediate preceding quarter pre-tax loss of RM11.4 million resulted in an incremental profit of RM28.4 million. This was mainly due to the reversal of impairment loss on interest of RM39.3 million in an associate listed on Singapore Exchange (SGX), the decrease in other operating costs of RM0.9 million, offsetted by the realisation of foreign exchange translation reserve upon dissolution of subsidiaries of RM7.5 million in the preceding quarter and decrease in profit of RM4.1 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 Expense

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Tax expense comprises :-				
Current income tax				
- Current income tax charge	77	182	491	445
- Adjustment in respect of prior years	272	15	229	15
Deferred tax				
- Reversal of temporary differences	115	138	92	115
- Adjustment in respect of prior years	25	(6)	25	(6)
Tax expense for the financial period/year	<u>489</u>	<u>329</u>	<u>837</u>	<u>569</u>

The Group's effective tax rate for the current year quarter (excluding the reversal of impairment loss on interest in an associate) and current year to date under review is higher than the statutory income tax rate of 24% mainly due to certain income which are taxable, expenses which are disallowed from tax deduction purposes and adjustment in respect of prior years.

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 proceeds raised from the Proposed Disposal had been fully utilised. (Pls refer to Q3 2022 report)

- 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.

Both parties had on 2 September 2022 agreed to further extend the conditional period expiring on 4 September 2022 to 31 October 2022 ("Third Extended Conditional Period"), to enable for the fulfilment of the condition precedent of the SPA.

In view that the condition precedent of the SPA cannot be fulfilled by the Third Extended Conditional Period of up to 31 October 2022, the Company and Impian Nuri have mutually agreed to terminate the SPA on 20 October 2022.

The Termination does not have any material financial impact on ILB Group of Companies.

- 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 31.12.2022					
	Long term borrowings		Short term borrowings		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured :-						
Term loans						
- HKD	-	-	19,705	-	19,705	-
- RM	-	23,338	-	4,813	-	28,151
	-	23,338	19,705	4,813	19,705	28,151

	As at 31.12.2021					
	Long term borrowings		Short term borrowings		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured :-						
Term loans						
- HKD	18,697	-	-	-	18,697	-
- RM	-	28,146	-	4,808	-	32,954
	18,697	28,146	-	4,808	18,697	32,954

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 Karownakaran @ Karunakaran 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 "Defendants"). The OS is in relation to the Proposed Acquisition. (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").

On 11 October 2022, the learned Judge of the Shah Alam High Court had allowed the 1st to 7th and 9th Defendants' Striking Out Application and ordered that the OS be struck out. The learned Judge further dismissed the Plaintiff's Joinder Application.

The learned Judge also awarded the 1st to 7th and 9th Defendants costs of RM30,000.00 which was paid by the Plaintiff to the 1st to 7th and 9th Defendants.

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 @ Karunikaran 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.

On 30 August 2022, the Board of Directors of the Company had announced that the Defendants have filed an application for the reliefs as set out below:

- (a) That the proceedings in the Kuala Lumpur High Court Originating Summons No.: WA-24NCC-829-08/2022 be transferred to and tried at the same time with the Shah Alam High Court Originating Summons No.: BA-24NCvC-1257-08/2022 and/or one immediately after the other ("Transfer Application");
- (b) That all proceedings in the Kuala Lumpur High Court Originating Summons No.: WA-24NCC-829-08/2022 be stayed pending the disposal of this application;
- (c) That the costs of and incidental to this application be costs in the cause; and
- (d) Such further and/or other reliefs as this Honourable Court deems fit and appropriate.

On 1 November 2022, the learned Judicial Commissioner of the Kuala Lumpur High Court had dismissed the Transfer Application.

On 24 November 2022, the learned Judicial Commissioner Tuan Wan Muhammad Amin bin Wan Yahya ('JC') allowed the Plaintiffs' Originating Summons and granted the reliefs as set out below.

- (1) Declaration that the notice dated 2.8.2022 issued by the 1st and 2nd Defendants to the 1st Plaintiff addressed to the 2nd to 8th Plaintiffs as directors of the 1st Plaintiff ('**Requisition Notice**') requisitioning the 2nd to 8th Plaintiffs to convene an Extraordinary General Meeting of the 1st Plaintiff ('**Proposed EGM**') pursuant to section 311 of the Companies Act 2016 is invalid.
- (2) Declaration that the Plaintiffs 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 the 1st Plaintiff to be passed or transacted at the Proposed EGM.
- (3) Costs in the sum of RM20,000 to be paid by the Defendants to the Plaintiffs which was received by the Plaintiffs.

B.9 Material Litigation (cont'd)

c. In the High Court of Malaya at Shah Alam Suit No. BA-24NCC-105-10/2022

On 20 October 2022, BT Investment Capital Limited and Best Venture Capital Sdn Bhd had filed an Originating Summons in the Shah Alam High Court for, among others, an order to prohibit and/or cancel the proposed acquisition of commercial properties by the Company of 9 parcels of freehold commercial land with shoplots erected thereon in Seksyen 19, 47300 Petaling Jaya, Selangor measuring an approximate area of 1,124 square metres in aggregate for a total consideration of RM15.9 million, to be satisfied entirely via the issuance of 37,780,000 new ordinary shares in the Company at an issue price of RM0.4211 per Company's share to Impian Nuri Sdn Bhd and subject to the terms therein contained ('OS 105').

The Company has sought legal advice on the above. Based on the legal advice and given that the SPA has been terminated, the Board is of the view that the OS 105 is not a material event to the Company.

On 1 November 2022, the 1st to 7th and 9th Defendants' (being the Company and its directors) filed an application to strike out OS 105 ("Striking Out Application").

At the case management on 16 November 2022, solicitors for the Plaintiffs (BT Investment Capital Limited and Best Venture Capital Sdn Bhd) informed the Court that they were instructed to withdraw OS 105 with no order as to costs.

However, as the Company and its directors expended time and costs in filing the Striking Out Application, the Company and its directors objected to withdrawal of OS 105 with no order as to costs.

The Plaintiffs in OS 105 have offered to pay the Company and its directors costs of RM3,000.00 for the withdrawal of OS 105.

In the spirit of putting the ongoing dispute to an end, the Company and its directors have accepted the Plaintiffs' offer.

In the circumstances, OS 105 is withdrawn by the Plaintiffs with costs of RM3,000.00 which was paid by the Plaintiffs to the Company and its directors.

B.10 Dividend

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

B.11 Earnings Per Share ("EPS")

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022	Preceding year corresponding quarter 31.12.2021	Current year to date 31.12.2022	Preceding year corresponding period 31.12.2021
Profit attributable to owners of the Company (RM'000)	11,293	11,548	170	8,321
Weighted average number of ordinary shares for basic EPS ('000)	188,900	188,900	188,900	188,900
Basic/Diluted EPS (sen)	<u>6.0</u>	<u>6.1</u>	<u>0.1</u>	<u>4.4</u>

B.12 Profit/(Loss) before tax

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

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Depreciation and amortisation	1,168	1,195	4,723	4,810
Gain on disposal of other investments	-	(17)	-	(17)
Gain on disposal of property, plant and equipment	-	-	-	(30)
Gain on dissolution of a subsidiary	-	(3,629)	-	(3,629)
Income distribution from other investments	-	(11)	-	(50)
Reversal of impairment/(Impairment loss) on interest in an associate	(19,501)	(14,861)	4,934	(14,861)
Interest expense	597	410	1,916	1,902
Interest income	(1,012)	(583)	(3,374)	(2,423)
Loss/(Gain) on foreign exchange				
- realised	(289)	114	1,244	107
- unrealised	(77)	(45)	402	(371)
Loss on revaluation of property, plant and equipment	406	-	406	-
Realisation of foreign exchange translation reserve upon dissolution of subsidiaries	-	-	(7,488)	-
(Reversal)/Addition of provision for employee benefits	(4)	1	(4)	1

By Order of the Board

Wong Youn Kim
Company Secretary

Selangor
27 February 2023