INTEGRATED LOGISTICS BERHAD (229690-K)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE 25TH ANNUAL GENERAL MEETING HELD ON THE 25TH APRIL 2017

Q1 ILB had invested RM 69m to build 3 additional warehouses in Wujiang, making it a total of 9 warehouses. What is the occupancy level of the warehouses?

A1 The 3 additional warehouses in Wujiang with a floor space of 32,000 sq meters had been fully tenanted under a 10 year tenancy.

Q2 INL Dubai's operations were incurring losses & ILB had committed to provide funding support. Was there was any limit to the amount of financial support to be provided ? As the Company had already invested RM 170m in the venture, did the Board have any plan to cut losses?

A2 The Board had not fixed any limit on the amount of financial assistance to be extended to the Dubai venture. The Board was constantly monitoring the situation.

Q3 ILB had ventured into the solar power business & was building a 1 MW solar power plant in Seberang Prai. Shareholders asked the Board to elaborate further on the solar power business & also if the Board members heading the projects were adequately equipped to undertake the new ventures.

A3 The government had a policy on renewable energy generation which included solar power. ILB had acquired EVN Vision Sdn Bhd which had approval to build a 1MW solar power plant in Seberang Prai & ILB was now going further with a 10MW solar power plant in Kedah. It was a sustainable business with a 21 year Power Purchase Agreement with Tenaga Nasional Berhad & was not exposed to the market situation or the economic cycle. Barring something unforeseen, there was a clear revenue & cash flow path.

ILB's solar venture included two partners who were technically competent in solar business & had guided the company in making the solar bid. The Energy Commission had a stringent evaluation process in place & had found ILB's bid technically competent. Additional technical manpower would be recruited as & when necessary.

The investment in EVN's 1MW power project cost RM 12m. Another RM 92m would be invested in the Kedah 10MW venture, including land cost of RM 30m. Land availability was a key element in the Energy Commission's evaluation process & the Kedah project's internal rate of return was in the range of 9%-10%. The projects faced certain risks such as poor implementation & natural disasters, & the Board would work to mitigate such risks.

Q4 As logistics was now in flavor, did the Board have any plans to venture into local logistics activity again? Was there any intention to change the Company's name?

A4 The Company was still actively involved in logistics in China & Dubai & was adding solar power as a new line of business. There was no intention to change the Company's name or to exit the logistics business.

Q5 Shareholders asked for clarifications on the Hengyang restructuring & also noted that Hengyang's audited financial statements & auditors report for the last financial year were not available.

A5 ILB needed to call its AGM & the timeline was tight. Hengyang's audited accounts were not available at that time & the financial results were based on Hengyang's announced results to the Singapore Stock Exchange. Dato' Lock from the auditors, Baker Tilly AC, explained that although Hengyang's figures were unaudited, Hengyang had already announced them to the Singapore Stock Exchange & the value in ILB's books reflected the market price of Hengyang's shares on the Singapore Stock Exchange.

Q6 Shareholders asked about the Executive Directors Remuneration & noted the company was only reporting a small profit & was also not declaring dividends.

A6 In respect of Executive Directors remuneration, the Chairman explained that it comprised a fixed & a variable element. The fixed element was contractual & did not vary according to the profitability of the Group while the variable element such as bonuses were determined based on performance evaluations conducted by the Board's Nomination & Remuneration Committee. In challenging times such as the present environment, the challenges in managing the Group's operations were even greater & it was necessary to remunerate appropriately. The Non Executive Directors fees remained at the same level as in the previous year.

The Company needed to conserve its cash resources to meet high capital expenditure requirements for the upcoming solar power plant projects & would resume the payment of dividends as soon as the Group's cash flow improved.