

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
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Revenue	2,436	14,110	5,626	27,970
Direct operating costs	<u>(1,393)</u>	<u>(13,118)</u>	<u>(3,225)</u>	<u>(25,437)</u>
Gross profit	1,043	992	2,401	2,533
Other income	1,308	1,538	1,735	5,555
Administrative expenses	(1,899)	(1,766)	(3,627)	(3,472)
Other expenses	<u>(251)</u>	<u>(1,082)</u>	<u>(256)</u>	<u>(1,103)</u>
Operating profit/(loss)	201	(318)	253	3,513
Finance income	579	553	1,211	1,785
Finance costs	(290)	(4,428)	(630)	(5,086)
(Impairment loss)/Reversal of impairment on interest in an associate	(12,864)	12,034	(12,955)	12,034
Share of results of associates	<u>677</u>	<u>(1,153)</u>	<u>587</u>	<u>(2,437)</u>
(Loss)/Profit before tax	(11,697)	6,688	(11,534)	9,809
Tax expense	<u>(3)</u>	<u>(60)</u>	<u>(42)</u>	<u>(225)</u>
(Loss)/Profit for the period	<u>(11,700)</u>	<u>6,628</u>	<u>(11,576)</u>	<u>9,584</u>
(Loss)/Profit attributable to:				
Owners of the Company	(8,012)	3,335	(7,809)	6,699
Non-controlling interests	<u>(3,688)</u>	<u>3,293</u>	<u>(3,767)</u>	<u>2,885</u>
(Loss)/Profit for the period	<u>(11,700)</u>	<u>6,628</u>	<u>(11,576)</u>	<u>9,584</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 2023 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
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
(Loss)/Profit for the period	(11,700)	6,628	(11,576)	9,584
<i>Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(1,025)	2,984	299	2,959
Other comprehensive (loss)/income for the period	(1,025)	2,984	299	2,959
Total comprehensive (loss)/income for the period, net of tax	(12,725)	9,612	(11,277)	12,543
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(8,718)	5,702	(7,442)	9,046
Non-controlling interests	(4,007)	3,910	(3,835)	3,497
	(12,725)	9,612	(11,277)	12,543
Basic/Diluted (loss)/earnings per share attributable to owners of the Company (sen)	(4.2)	1.8	(4.1)	3.5

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 2023 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.06.2024 RM'000	AS AT 31.12.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	141,814	142,296
Intangible assets	1,751	1,817
Interest in associates	34,729	47,288
Other investment	2,272	270
	<u>180,566</u>	<u>191,671</u>
Current assets		
Inventories	282	851
Receivables	1,822	9,841
Contract assets	176	9
Tax assets	227	327
Short term investment	27,621	-
Deposits, cash & bank balances	36,239	60,305
	<u>66,367</u>	<u>71,333</u>
TOTAL ASSETS	<u><u>246,933</u></u>	<u><u>263,004</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	225,671	225,671
Reserves	(4,195)	3,247
Treasury shares	(4,797)	(4,797)
	<u>216,679</u>	<u>224,121</u>
Non-controlling interests	<u>5,662</u>	<u>9,497</u>
Total equity	<u><u>222,341</u></u>	<u><u>233,618</u></u>
Non-current liabilities		
Term loans	15,902	18,502
Deferred tax liabilities	2,318	2,334
	<u>18,220</u>	<u>20,836</u>
Current liabilities		
Payables	2,148	3,253
Contract liabilities	-	317
Term loans	4,224	4,837
Tax liabilities	-	143
	<u>6,372</u>	<u>8,550</u>
Total liabilities	<u>24,592</u>	<u>29,386</u>
TOTAL EQUITY AND LIABILITIES	<u><u>246,933</u></u>	<u><u>263,004</u></u>
Net assets per share attributable to owners of the Company (RM)	<u><u>1.15</u></u>	<u><u>1.19</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 2023 and the accompanying explanatory notes attached to this interim financial report.

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	Revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Other reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000			
At 1 January 2024	225,671	15,489	(1,991)	-	9,876	(4,797)	(20,127)	224,121	9,497	233,618
Loss for the period	-	-	-	-	-	-	(7,809)	(7,809)	(3,767)	(11,576)
Other comprehensive income	-	-	367	-	-	-	-	367	(68)	299
Total comprehensive income/(loss) for the period	-	-	367	-	-	-	(7,809)	(7,442)	(3,835)	(11,277)
As 30 June 2024	225,671	15,489	(1,624)	-	9,876	(4,797)	(27,936)	216,679	5,662	222,341
At 1 January 2023	225,671	15,489	(2,549)	30	9,876	(4,797)	(20,325)	223,395	9,233	232,628
Profit for the period	-	-	-	-	-	-	6,699	6,699	2,885	9,584
Other comprehensive income	-	-	2,347	-	-	-	-	2,347	612	2,959
Total comprehensive income for the period	-	-	2,347	-	-	-	6,699	9,046	3,497	12,543
As 30 June 2023	225,671	15,489	(202)	30	9,876	(4,797)	(13,626)	232,441	12,730	245,171

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 2023 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Operating Activities		
(Loss)/Profit before tax	(11,534)	9,809
Adjustments for :-		
Depreciation and amortisation	2,200	2,167
Fair value gain on other investment	(2)	-
Fair value gain on short term investment	(101)	-
Income distribution from other investments	(60)	-
Interest expense	630	5,086
Interest income	(1,151)	(1,785)
Impairment loss/(Reversal of impairment) on interest in an associate	12,955	(12,034)
Property, plant & equipment written off	197	-
Reversal of impairment loss on property, plant & equipment	(590)	-
Share of results of associates	(587)	2,437
Unrealised loss/(gain) on foreign exchange	4	(897)
Operating profit before working capital changes	<u>1,961</u>	<u>4,783</u>
Changes in working capital :-		
Inventories	569	23
Contract assets	(167)	-
Contract liabilities	(317)	-
Receivables	8,018	(15,552)
Payables	(1,574)	(2,434)
Net cash generated from/(used in) operations	<u>8,490</u>	<u>(13,180)</u>
Interest paid	(630)	(5,086)
Tax paid	(100)	(201)
Net cash from/(used in) operating activities	<u>7,760</u>	<u>(18,467)</u>
Investing Activities		
Cash received from a third party receivable	-	5,327
Interest received	1,211	1,362
Placement of other investment	(29,520)	-
Proceeds from disposal of property, plant and equipment	2	-
Purchase of property, plant and equipment	(1,262)	(692)
Withdrawals of deposits with licensed banks	10,979	21,184
Net cash (used in)/ from investing activities	<u>(18,590)</u>	<u>27,181</u>
Financing Activity		
Repayments of term loans	(3,213)	(22,098)
Net cash used in financing activity	<u>(3,213)</u>	<u>(22,098)</u>
Net decrease in cash and cash equivalents	(14,043)	(13,384)
Effects of exchange rate changes on cash and cash equivalents	956	1,843
Cash and cash equivalents at the beginning of the period	33,791	43,172
Cash and cash equivalents at the end of the period	<u><u>20,704</u></u>	<u><u>31,631</u></u>
Cash and cash equivalents comprise the following:-		
Deposits with licensed banks	30,717	56,052
Cash & bank balances	5,522	5,002
	<u>36,239</u>	<u>61,054</u>
Less : Deposits with maturity period more than 3 months	(12,124)	(26,100)
Deposits pledged to a financial institution	(3,411)	(3,323)
Cash and cash equivalents at the end of the period	<u><u>20,704</u></u>	<u><u>31,631</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 2023 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 2023.

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 2023 except for the following:

The new MFRS and amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 107	Statements of Cash Flows

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 2024 with practical expedients permitted under the standards.

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

		Effective for annual periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability	1 January 2027
Amendments to MFRS 7	Financial Instruments	1 January 2026
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
Amendments to MFRS 128	Investments in Associate and Joint Ventures	Deferred

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 2024, 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 principal activity of the Group is engaging in solar energy and related businesses in Malaysia. As such, segmental reporting by business segment is deemed not necessary. Accordingly, the information regarding its financial position and results is represented by the financial statements as a whole.

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

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

On 17 July 2024, IL Energy Sdn. Bhd., a wholly-owned subsidiary of ILB, had entered into the following:

- i. Share Sale Agreement with Andy Woo Weng Kok for the proposed acquisition of 1,000,000 ordinary shares in Armani Sinar Sdn Bhd (“ASSB”), representing 100% equity interest in (“ASSB”) for a purchase consideration of RM30,000,000 in cash; and
- ii. Sale and Purchase Agreement with Armani Energy Sdn Bhd (“AESB”) for the proposed acquisition of the solar photovoltaic energy generating system of (“AESB”) for a purchase consideration of RM68,000,000 in cash.

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 a subsidiary amounted to RM20.1 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 totaling RM0.5 million in respect of acquisition of solar systems.

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 2024, the Group posted revenue of RM5.6 million which was 79.9% lower than the revenue of RM28.0 million for the corresponding period in the preceding year. The higher revenue in the corresponding period in the preceding year was mainly contributed by the procurement of solar PV module of RM23.4 million in the preceding year, offset by new power purchase agreement that contributed an additional revenue of RM0.1 million and new solar rooftop residential projects of RM0.7 million during the current quarter.

The Group posted a pre-tax loss of RM11.5 million for the current financial period as compared to the pre-tax profit of RM9.8 million for the corresponding period in the preceding year. The increase in pre-tax loss of RM21.3 million was mainly attributable to decrease in value from investment in associate of RM22.0 million and waiver of debts from Shun Hing of RM3.3 million in the preceding year, offset by loan interest paid to Shun Hing of RM4.4 million in the preceding year.

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

For the current financial quarter under review, the Group posted revenue of RM2.4 million which was 82.7% lower than the revenue of RM14.1 million for the corresponding quarter in the preceding year. The higher revenue in the corresponding quarter in the preceding year was mainly contributed by the procurement of solar PV module of RM11.9 million in the preceding year, offset by new power purchase agreement that contributed an additional revenue of RM0.1 million during the current quarter.

The Group posted a pre-tax loss of RM11.7 million for the current quarter as compared to the pre-tax profit of RM6.7 million for the corresponding quarter in the preceding year. The increase in pre-tax loss of RM18.4 million for the current quarter was mainly attributable to decrease in value from investment in associate of RM23.1 million, offset by loan interest paid to Shun Hing of RM4.1 million in the preceding year.

B.2 Comparison With Immediate Preceding Quarter's Results

	Current quarter ended 30.06.2024 RM'000	Immediate preceding quarter ended 31.03.2024 RM'000
Revenue	<u>2,436</u>	<u>3,190</u>
(Loss)/Profit before tax	<u>(11,697)</u>	<u>163</u>

For the current quarter, the Group recorded revenue of RM2.4 million which was 23.6% lower than RM3.2 million in the preceding quarter. The lower revenue was mainly due to lesser rooftop projects and others related projects during current quarter under review.

The Group posted a pre-tax loss of RM11.7 million for the current quarter as compared to the pre-tax profit of RM0.2 million for the immediate preceding quarter. The increase in pre-tax loss of RM11.9 million for the current quarter was mainly attributable to decrease in value from investment in associate of RM12.0 million, written off of RM0.2 million in property, plant and equipment in the current quarter, offset by the reversal of impairment loss on property, plant and equipment of RM0.6 million in the current quarter.

B.3 Prospects

ILB perceives great potential and vast opportunities in Malaysia's renewable energy industry, driven by proactive government support and initiatives. In April 2024, the Government announced the establishment of Energy Exchange Malaysia to facilitate cross-border sales of green electricity to neighbouring countries, aligning with Malaysia's energy transition aspiration and the ASEAN Power Grid Initiative. This initiative is expected to drive increased demand of solar energy.

Based on ILB's past record in implementing and operating solar projects coupled with the proposed acquisition of 1,000,000 ASSB Shares, representing 100% equity interest in ASSB and proposed acquisition of Solar Assets in AESB, the Company is well positioned to expand its solar portfolio and achieve sustainable earnings growth. ILB will remain committed in all related renewable energy programmes initiated by the government as well as renewable energy projects from the commercial and industrial markets. ILB had also participated in LSS5 tender recently. Moving forward, ILB aims to participate in future initiatives announced by the Energy Commission.

Subject to the completion of proposed acquisitions, ILB plans to optimise ASSB's operations and maximise the utilisation of Solar Assets by:

- (i) utilising ASSB's capabilities to secure rooftop solar projects, either as investors or turnkey projects for rooftop solar customers;
- (ii) exploring opportunities to participate in solar rooftop project tenders issued by government entities, government-linked entities, industrial and commercial customers;
- (iii) leveraging on ASSB's current marketing expertise and industry networking to source niche solar projects that may not be publicly tendered; and
- (iv) achieving economies-of-scale to minimise costs and enhance competitiveness.

Premised on the profit track record of ASSB and the Solar Assets, together with the future plans of ILB upon completion as set out above, the Company is expected to strengthen its market presence and drive long-term value creation in the renewable energy industry.

B.4 Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast issued.

B.5 Tax Expense

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2024 RM'000	Preceding year corresponding quarter 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Preceding year corresponding period 30.06.2023 RM'000
Tax expense comprises :-				
Current income tax				
- Current income tax charge	11	68	58	241
Deferred tax				
- Reversal of temporary differences	(8)	(8)	(16)	(16)
Tax expense for the financial period	<u>3</u>	<u>60</u>	<u>42</u>	<u>225</u>

The Group's effective tax rate for the current year quarter and current year to date under review are lower than the statutory income tax rate of 24% mainly due to utilisation of unabsorbed capital allowances brought forward and tax incentives enjoyed by some of the Malaysian subsidiaries.

B.6 Status of Corporate Proposals

On 17 July 2024, IL Energy Sdn. Bhd. ("IL Energy"), a wholly-owned subsidiary of ILB, had entered into the following:

- i. Share Sale Agreement with Andy Woo Weng Kok for the proposed acquisition of 1,000,000 ordinary shares in Armani Sinar Sdn Bhd ("ASSB"), representing 100% equity interest in ASSB for a purchase consideration of RM30,000,000 in cash; and
- ii. Sale and Purchase Agreement with Armani Energy Sdn Bhd ("AESB") for the proposed acquisition of the solar photovoltaic energy generating system of AESB for a purchase consideration of RM68,000,000 in cash.

B.7 Group Borrowings and Debt Securities

The Group's borrowings are all secured and denominated in Ringgit Malaysia as follows:-

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Non-current:		
Term loans	15,902	18,502
Current:		
Term loans	4,224	4,837
	<u>20,126</u>	<u>23,339</u>

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 litigations since the last annual reporting date.

B.10 Dividend

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

B.11 (Loss)/Earnings Per Share ("EPS")

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2024	Preceding year corresponding quarter 30.06.2023	Current year to date 30.06.2024	Preceding year corresponding period 30.06.2023
(Loss)/Profit attributable to owners of the Company (RM'000)	(8,012)	3,335	(7,809)	6,699
Weighted average number of ordinary shares for basic earnings per share ('000 unit)	188,900	188,900	188,900	188,900
Basic (loss)/earnings per share attributable to owners of the Company (sen)	<u>(4.2)</u>	<u>1.8</u>	<u>(4.1)</u>	<u>3.5</u>

The diluted (loss)/earnings per share of the Company for the current quarter are same as the basic earnings per share of the Group as the Company has no dilutive potential ordinary shares.

B.12 (Loss)/Profit before tax

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

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER	
	Current year quarter 30.06.2024 RM'000	Preceding year corresponding quarter 30.06.2023 RM'000	Current year to date 30.06.2024 RM'000	Preceding year corresponding period 30.06.2023 RM'000
Depreciation and amortisation	1,130	1,060	2,200	2,167
Fair value gain on other investment	(7)	-	(2)	-
Fair value gain on short term investment	(101)	-	(101)	-
Impairment loss/(Reversal of impairment) on interest in an associate	12,864	(12,034)	12,955	(12,034)
Income distribution from other investments	(60)	-	(60)	-
Interest expense	290	4,428	630	5,086
Interest income	(519)	(553)	(1,151)	(1,785)
Loss/(Gain) on foreign exchange				
- realised	55	1,003	55	766
- unrealised	10	(876)	4	(897)
Property, plant & equipment written off	197	-	197	-
Reversal of impairment loss on property, plant & equipment	(590)	-	(590)	-

By Order of the Board

Ching Chun Keong
Company Secretary

Selangor
22 August 2024