



**BOILERMECH HOLDINGS BERHAD**  
**Registration No. 201001013463 (897694-T)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022**

**Unaudited Condensed Consolidated Statements of Profit or Loss**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31-Dec-2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Dec-2021 RM'000</b>	<b>Current Year to Date 31-Dec-2022 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-2021 RM'000</b>
Revenue	83,772	97,015	260,865	230,253
Cost of sales	(72,269)	(80,255)	(222,903)	(189,718)
Gross profit	11,503	16,760	37,962	40,535
Other operating income and expenses	(9,620)	(8,093)	(27,548)	(19,461)
Finance costs	(48)	(51)	(140)	(176)
Profit before taxation	1,835	8,616	10,274	20,898
Income tax expense	(159)	(2,328)	(1,941)	(5,346)
Profit after taxation	1,676	6,288	8,333	15,552
Profit after taxation attributable to :				
Owners of the Company	1,336	5,015	7,592	14,235
Non-controlling interests	340	1,273	741	1,317
	1,676	6,288	8,333	15,552
Weighted average no. of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Earnings per share attributable to owners of the Company:				
Basic (sen)	0.26	0.97	1.47	2.76
Diluted (sen)	0.26	0.97	1.47	2.76

**Notes :**

The Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial statements.



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**Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022**

**Unaudited Condensed Consolidated Statements of Comprehensive Income**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31-Dec-2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Dec-2021 RM'000</b>	<b>Current Year to Date 31-Dec-2022 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-2021 RM'000</b>
Profit after taxation	1,676	6,288	8,333	15,552
Other Comprehensive Income/(Expenses), Net of Tax				
<i>Items that will be reclassified subsequently to Profit or Loss</i>				
- Cash flow hedge	472	(16)	(732)	(392)
- Foreign currency translation differences	(2,421)	(91)	(1,191)	574
	(1,949)	(107)	(1,923)	182
<b>Total Comprehensive (Expense)/Income</b>	<b>(273)</b>	<b>6,181</b>	<b>6,410</b>	<b>15,734</b>
Total comprehensive (expense)/income attributable to :				
Owners of the Company	(613)	4,908	5,669	14,417
Non-controlling interests	340	1,273	741	1,317
	<b>(273)</b>	<b>6,181</b>	<b>6,410</b>	<b>15,734</b>

**Notes :**

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial statements.



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**Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31-Dec-2022</b>	<b>31-Mar-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,944	93,480
Investment property	5,761	5,842
Trade receivables	5,482	3,660
Deferred tax assets	2,520	1,055
Goodwill	5,831	5,831
	<u>109,538</u>	<u>109,868</u>
<b>Current assets</b>		
Inventories	58,262	47,138
Contract cost assets	951	1,075
Contract assets	51,950	51,694
Trade receivables	62,382	69,403
Other receivables, deposits and prepayments	19,321	12,416
Current tax assets	5,547	3,002
Derivative assets	-	23
Cash and cash equivalents	65,331	57,492
	<u>263,744</u>	<u>242,243</u>
<b>TOTAL ASSETS</b>	<u><u>373,282</u></u>	<u><u>352,111</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	51,600	51,600
Merger deficit	(21,810)	(21,810)
Reserves	204,018	207,652
<b>Equity attributable to owners of the Company</b>	<u>233,808</u>	<u>237,442</u>
Non-controlling interests	15,415	15,584
<b>Total Equity</b>	<u>249,223</u>	<u>253,026</u>
<b>Non-current liabilities</b>		
Borrowings	3,155	3,509
Employee benefit	283	411
Deferred tax liabilities	1,456	1,356
	<u>4,894</u>	<u>5,276</u>
<b>Current liabilities</b>		
Contract liabilities	69,759	51,760
Trade payables	40,808	34,995
Other payables and accruals	7,459	5,722
Short-term borrowings	1,003	1,097
Current tax liabilities	45	235
Derivative liabilities	91	-
	<u>119,165</u>	<u>93,809</u>
<b>TOTAL LIABILITIES</b>	<u>124,059</u>	<u>99,085</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>373,282</u></u>	<u><u>352,111</u></u>
Net assets per share attributable to owners of the Company (RM)	0.45	0.46

**Notes :**

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial statements.



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**Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>Current Year to Date 31-Dec-2022 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,274	20,898
<i>Adjustments for :</i>		
Depreciation	3,951	3,965
Equipment written off	42	8
Interest expenses	140	176
Inventories written off	-	1
Inventories written down	584	262
Fair value gain on derivatives	(132)	(1,787)
Gain on disposal of equipment	(72)	(85)
Interest income and income distribution on liquid investments	(801)	(965)
Net impairment loss on trade receivables	1,227	372
Unrealised loss on foreign exchange	616	19
Operating profit before changes in working capital	15,829	22,864
Changes in working capital:		
Inventories	(12,233)	(5,867)
Contract cost assets	124	473
Contract assets	(416)	(17,288)
Trade and other receivables	(4,747)	6,095
Contract liabilities	19,130	(17,226)
Trade and other payables	8,393	6,388
Cash generated from/(used in) operations	26,080	(4,561)
Interest paid	(21)	(22)
Employee benefit paid	(119)	-
Tax paid	(6,090)	(7,105)
<b>Net cash generated from/(used in) operating activities</b>	<b>19,850</b>	<b>(11,688)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received and income distribution on liquid investments	716	960
Proceeds from disposal of equipment	72	85
Purchase of property, plant and equipment	(807)	(1,588)
<b>Net cash used in investing activities</b>	<b>(19)</b>	<b>(543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(119)	(154)
Acquisition of non-controlling interests	(630)	-
Payment of lease liabilities	(236)	(149)
Repayment of hire purchase liabilities	(321)	(303)
Repayment of term loans	(327)	(324)
Dividends paid	(9,583)	(9,399)
<b>Net cash used in financing activities</b>	<b>(11,216)</b>	<b>(10,329)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,615</b>	<b>(22,560)</b>
<b>EFFECTS OF FOREIGN EXCHANGE</b>	<b>(776)</b>	<b>26</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>57,306</b>	<b>89,941</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>65,145</b>	<b>67,407</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Liquid investments	20,621	30,314
Deposits with licensed banks	11,378	10,895
Cash and bank balances	33,332	26,301
	65,331	67,510
Less: Deposits with licensed banks with tenure more than 3 months	(186)	(103)
	<b>65,145</b>	<b>67,407</b>

**Note :**

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

**Unaudited Condensed Consolidated Statements of Changes in Equity**

	← Attributable to owners of the Company →					Distributable	Total	Non - Controlling Interests	Total Equity
	Share Capital RM'000	Merger Deficit RM'000	Cash Flow Hedge Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000				
Balance as at 1 April 2022	51,600	(21,810)	76	16	(342)	207,902	237,442	15,584	253,026
Profit after taxation for the financial period	-	-	-	-	-	7,592	7,592	741	8,333
Other comprehensive income for the financial period:									
Cash flow hedge	-	-	(732)	-	-	-	(732)	-	(732)
Foreign currency translation differences for foreign operation	-	-	-	-	(1,191)	-	(1,191)	-	(1,191)
Total comprehensive income for the financial period	-	-	(732)	-	(1,191)	7,592	5,669	741	6,410
Distributions to owners of the Company:									
Dividends	-	-	-	-	-	(9,030)	(9,030)	-	(9,030)
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(553)	(553)
Total transactions with owners	-	-	-	-	-	(9,030)	(9,030)	(553)	(9,583)
Changes in ownership interests in a subsidiary	-	-	-	-	-	(273)	(273)	(357)	(630)
<b>Balance as at 31 December 2022</b>	<b>51,600</b>	<b>(21,810)</b>	<b>(656)</b>	<b>16</b>	<b>(1,533)</b>	<b>206,191</b>	<b>233,808</b>	<b>15,415</b>	<b>249,223</b>
Balance as at 1 April 2021	51,600	(21,810)	674	15	(1,020)	199,957	229,416	13,679	243,095
Profit after taxation for the financial period	-	-	-	-	-	14,235	14,235	1,317	15,552
Other comprehensive income for the financial period:									
Cash flow hedge	-	-	(392)	-	-	-	(392)	-	(392)
Foreign currency translation differences for foreign operation	-	-	-	1	573	-	574	-	574
Total comprehensive income for the financial period	-	-	(392)	1	573	14,235	14,417	1,317	15,734
Distributions to owners of the Company:									
Dividends	-	-	-	-	-	(9,030)	(9,030)	-	(9,030)
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(369)	(369)
	-	-	-	-	-	(9,030)	(9,030)	(369)	(9,399)
<b>Balance as at 31 December 2021</b>	<b>51,600</b>	<b>(21,810)</b>	<b>282</b>	<b>16</b>	<b>(447)</b>	<b>205,162</b>	<b>234,803</b>	<b>14,627</b>	<b>249,430</b>

**Note :**

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial statements.



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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

#### 1. Basis of Preparation

This condensed interim financial 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.

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

#### (A) Standards issued and effective

During the current financial year, the Group has adopted the following new accounting standard(s) and/or IC interpretation(s) (including the consequential amendments, if any): -

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the accounting standard(s) and/or IC interpretation(s) (including the consequences amendments, if any) did not have any material impact on the Group’s financial statement upon its initial application.

#### (B) Standards issued and not yet effective

The Group has not applied the following accounting standard(s) and/or IC interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year: -

##### i) Effective for annual periods commencing on or after 1 January 2023

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts and Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

##### ii) Effective for annual periods commencing on or after 1 January 2024

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Non-current Liabilities with Covenants

##### iii) Deferred

- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture



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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### 1. Basis of Preparation (cont'd)

#### (B) Standards issued and not yet effective (cont'd)

The adoption of the above accounting standard(s) and/or IC interpretation(s) (including the consequences amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

### 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding annual audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2022 was not subject to any qualification.

### 3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any major seasonal factors save for cyclical factors in palm oil industries.

### 4. Significant Unusual Items

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial year to-date.

### 5. Material Changes in Estimates

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and financial year to-date.

### 6. Details of Changes in Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review and financial year to-date.

### 7. Dividend paid

There was no dividend paid during the current quarter.



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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### 8. Segmental Reporting

	9-month Financial Period ended 31 Dec 2022			
	Bio-Energy *	Water Treatment ^	Solar Energy #	Group
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
External sales	206,038	26,798	28,029	260,865
<b>RESULTS</b>				
Segments results	7,770	1,966	678	10,414
Finance costs				(140)
Profit before taxation				10,274
Income tax expense				(1,941)
Consolidated Profit after taxation				8,333

\* Bio-Energy segment is principally engaged in Engineering, Procurement & Construction (EPC) including design, manufacturing, installation and repair for Biomass boiler, Oil & Gas boilers and Heat Recovery Steam Generators.

^ Water Treatment segment is principally engaged in Engineering, Procurement & Construction (EPC) activities for Industrial effluent treatment system, Palm Oil Mill effluent treatment & Biogas capture system, Membrane system for process water and tertiary treatment and supply of Water treatment chemical.

# Solar Energy segment is principally engaged in Engineering, Procurement & Construction (EPC) for Solar PV system for Commercial & Industrial, Residential and Independent Power Plant (IPP).

### Geographical Segments for Revenue

	Current Year Quarter 31 Dec 2022 RM'000	Current Year to-Date 31 Dec 2022 RM'000
Local	47,305	150,099
Overseas	36,467	110,766
Total	83,772	260,865





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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### 9. Changes in the Composition of the Group

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

### 10. Contingent Liabilities

The Company provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries.

Possible obligation that arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events is a contingent liability and shall be disclosed unless the possibility of any outflow in settlement is remote.

There were no contingent liabilities require disclosure as at the end of the financial period.

### 11. Material Events Subsequent to the End of the Interim Reporting Period

Subsequent to the end of the interim reporting period, the Company acquired an additional 35% interest in TERA VA Sdn Bhd, increasing its ownership from 65% to 100%, to be a wholly owned subsidiary company.

### 12. Related Party Disclosures

#### *Identities of related parties*

For the purpose of this financial statements, parties are considered to be related to the Group if a group or a company has the ability, directly or indirectly, to control the party or exercise significantly influence over the party in making financial and operating decisions, or vice versa, or where the Group and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

	<b>Current Year to-Date 31 Dec 2022 RM'000</b>
Sales to related companies & parties	4,285
Purchase from related parties	1,247

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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

#### 1. Review of Performance

	Individual Quarter			Cumulative Quarter		
	Current year Quarter 3	Preceding year Quarter 3	Variance	Current year Quarter 3	Preceding year Quarter 3	Variance
	1.10.22 to 31.12.22	1.10.21 to 31.12.21		1.4.22 to 31.12.22	1.4.21 to 31.12.21	
	<b>Revenue</b>	<b>Revenue</b>		<b>Revenue</b>	<b>Revenue</b>	
RM'000	RM'000	%	RM'000	RM'000	%	
Bio-Energy	58,669	72,767	(19%)	206,038	186,544	10%
Water Treatment	9,679	8,997	8%	26,798	22,533	19%
Solar Energy	15,424	15,251	1%	28,029	21,176	32%
<b>Total</b>	<b>83,772</b>	<b>97,015</b>	<b>(14%)</b>	<b>260,865</b>	<b>230,253</b>	<b>13%</b>

	Individual Quarter			Cumulative Quarter		
	Current year Quarter 3	Preceding year Quarter 3	Variance	Current year Quarter 3	Preceding year Quarter 3	Variance
	1.10.22 to 31.12.22	1.10.21 to 31.12.21		1.4.22 to 31.12.22	1.4.21 to 31.12.21	
	<b>Profit Before Tax</b>	<b>Profit Before Tax</b>		<b>Profit Before Tax</b>	<b>Profit Before Tax</b>	
RM'000	RM'000	%	RM'000	RM'000	%	
Bio-Energy	433	4,513	(90%)	7,769	16,603	(53%)
Water Treatment	384	1,415	(73%)	1,831	2,140	(14%)
Solar Energy	1,018	2,688	(62%)	674	2,155	(69%)
<b>Total</b>	<b>1,835</b>	<b>8,616</b>	<b>(79%)</b>	<b>10,274</b>	<b>20,898</b>	<b>(51%)</b>

#### Bio-Energy Segment

The revenue in current quarter was RM58.7 million, a decrease of 19% due to lower production activity and boiler project delivery during the current quarter.

Whereas, the revenue in current year to date was RM206.0 million, having increased by 10% due to higher boiler delivery during the period under review.

The PBT in the current quarter and current year to date was RM0.4 million and RM7.8 million mainly due to the delivery of projects with lower profit margin as well as foreign exchange losses incurred during the periods under review.



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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### 1. Review of Performance (cont'd)

#### Water Treatment Segment

The revenue in current quarter and current year to date was RM9.7 million and RM26.8 million, an increase of 8% and 19% respectively. The increase was due mainly to higher revenue from sales and service division during the periods under review.

The PBT in current quarter and current year to date was RM0.4 million and RM1.8 million, a decrease of 73% and 14% respectively. The decrease was mainly due to delivery of projects and sales with lower profit margin and higher provision for doubtful debts made during the periods under review.

#### Solar Energy Segment

The revenue in current quarter and current year to date was RM15.4 million and RM28.0 million, an increase of 1% and 32% respectively. The increase in current year to date was due to higher project delivery during the period under review as compared to preceding year which was affected by the movement restriction.

The PBT in the current quarter and current year to date was RM1.0 million and RM0.7 million respectively. Despite the increase in revenue, the PBT was decreased mainly due to delivery of lower margin projects and higher provision for doubtful debts made in the current periods under review.

#### Group

The Group registered revenue of RM83.8 million in the current quarter and RM260.9 million in the current year to date, a decrease of 14% as compared to the preceding year quarter, but an increase of 13% as compared to the preceding year to date.

The PBT of RM1.8 million and RM10.3 million in the current year quarter and current year to date represents a decrease of 79% and 51% from the preceding year quarter and year to date by the respective segments as set out above.



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## Unaudited Interim Financial Statements for the 3rd Quarter ended 31 December 2022

### 2. Material Changes to The Results of The Preceding Quarter

	Current year Quarter 3 (3 Months)	Current year Quarter 2 (3 Months)	Variance	Current year Quarter 3 (3 Months)	Current year Quarter 2 (3 Months)	Variance
	1.10.22 to 31.12.22	1.7.22 to 30.9.22		1.10.22 to 31.12.22	1.7.22 to 30.9.22	
	<b>Revenue</b>	<b>Revenue</b>		<b>Profit Before Tax</b>	<b>Profit/(Loss) Before Tax</b>	
	RM'000	RM'000	%	RM'000	RM'000	%
Bio-Energy	58,669	82,769	(29%)	433	4,336	(90%)
Water Treatment	9,679	9,032	7%	384	666	(42%)
Solar Energy	15,424	7,559	104%	1,018	(444)	329%
<b>Total</b>	<b>83,772</b>	<b>99,360</b>	<b>(16%)</b>	<b>1,835</b>	<b>4,558</b>	<b>(60%)</b>

#### Bio-Energy Segment

The revenue in current quarter decreased by 29% as compared to the preceding quarter, mainly due to the lower boiler delivery during the current period.

The PBT in the current quarter decreased due to the delivery of projects with lower margin.

#### Water Treatment Segment

The revenue for the current quarter increased by 7% as compared to the preceding quarter due to the higher project delivery during the current period.

The PBT in the current quarter decreased by 42% mainly due to a higher provision of doubtful debts made in the current quarter.

#### Solar Energy Segment

The revenue in current quarter increased by 104% as compared to the preceding quarter mainly due to the higher project delivery during the current period.

The PBT in the current quarter has improved in line with the increase in revenue.

#### Group

The Group's revenue and PBT in the current quarter decreased by 16% and 60% respectively as compared to the preceding quarter for the reasons as set out above.



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### 3. Prospects

There is a heightened awareness and compliance in environmental, social and governance (“ESG”) sustainability which translates into growing business opportunities for our biomass energy, solar energy and clean water segments. Along with supportive government policy in achieving Net Zero transition, the increase in fossil fuel energy costs and reduction of subsidies in Malaysia will accelerate the adoption of biomass and solar energy in the foreseeable future.

Nevertheless, we continue to face strong headwinds from raw material cost and foreign exchange volatility, escalating cost of doing business as well as heightened competition in solar segment which are expected to continue to affect our margins.

The Board is confident in delivering reasonable and satisfactory top line growth during the financial year subject to prevailing external factors not within the control of the Company.

### 4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

### 5. Income Tax Expense

The taxation figures are as follows:

	Current Year Quarter 31 Dec 2022 RM'000	Current Year to-Date 31 Dec 2022 RM'000
Current tax	(364)	3,328
Deferred tax	523	(1,387)
	<u>159</u>	<u>1,941</u>

The effective tax rate of the Group for the current year to date was lower than the statutory rate principally due to utilisation of temporary differences that was previously unrecognised.

### 6. Status of Corporate Proposals

There were no corporate proposals announced but not completed at the date of issue of this interim financial report.



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### 7. Borrowings and Lease Liabilities

	As at 31 Dec 2022 RM'000	As at 31 Mar 2022 RM'000
<b>Short-term: -</b>		
<u>Secured</u>		
Hire purchase liabilities	210	353
Term loan	451	441
	661	794
<u>Unsecured</u>		
Lease liabilities	342	303
	1,003	1,097
<b>Long-term: -</b>		
<u>Secured</u>		
Hire purchase liabilities	234	223
Term loan	2,514	2,851
	2,748	3,074
<u>Unsecured</u>		
Lease liabilities	407	435
	3,155	3,509
Total borrowings and lease liabilities	4,158	4,606

The Group borrowings and lease liability consist of: -

Fixed rate	1,193	1,314
Floating rate	2,965	3,292
	4,158	4,606

All the Group's borrowings are denominated in Ringgit Malaysia.

### 8. Financial Instruments

As at 31 December 2022, the outstanding derivatives are as follows: -

Type of Derivatives	Contract / Notional Value RM'000	Fair Value RM'000
Foreign Exchange Contracts - Less than one year	14,482	14,573
	14,482	14,573



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### 9. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

### 10. Dividend

There was no dividend declared during the current quarter under review.

### 11. Earnings Per Share

#### i. Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2022	Preceding Year Corresponding Quarter 31 Dec 2021	Current Year Quarter 31 Dec 2022	Preceding Year Corresponding Quarter 31 Dec 2021
Profit after Taxation attributable to owners of the Company (RM'000)	1,336	5,015	7,592	14,235
Weighted average number of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Basic earnings per share (sen)	0.26	0.97	1.47	2.76

#### ii. Diluted

The Company does not have any convertible share or convertible financial instruments for the current quarter under review and financial year to-date.



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### 12. Trade Receivables

	As at 31 Dec 2022 RM'000	As at 31 Mar 2022 RM'000
<u>Non-current</u>		
Trade receivables – third parties	945	837
Trade receivables – related companies	4,537	2,823
	<u>5,482</u>	<u>3,660</u>
<u>Current</u>		
Trade receivables – third parties	66,071	71,115
Trade receivables – related companies/parties	4,059	5,066
Retention receivables – third parties	2,522	2,411
	<u>72,652</u>	<u>78,592</u>
Allowance for impairment loss	(10,270)	(9,189)
	<u>62,382</u>	<u>69,403</u>
	<u>67,864</u>	<u>73,063</u>

The ageing analysis of the Group is as follows: -

	As at 31 Dec 2022 RM'000	As at 31 Mar 2022 RM'000
Not past due	33,563	38,045
Past due	34,301	35,018
	<u>67,864</u>	<u>73,063</u>

The Group's normal credit terms granted to related and non-related parties range from 30 to 90 days.





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### 13. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Income / (Expenses)	Current Year Quarter 31 Dec 2022 RM'000	Current Year to-Date 31 Dec 2022 RM'000
Interest income and income distribution on liquid investments	304	801
Other income including investment income	271	838
Interest expense	(48)	(140)
Depreciation and amortisation	(1,316)	(3,951)
(Provision for) / Reversal of and (write off) of receivables	(210)	(1,227)
Provision for and write off of inventories	(83)	(584)
Provision for contract assets	-	-
Gain or (loss) on disposal and write off of equipment and right-of-use assets	51	30
Gain or (loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(1,369)	(2,861)
Fair value gain or (loss) on derivatives	(343)	132
Exceptional Items (with details)	Not Applicable	Not Applicable

### 14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23 February 2023.