BOILERMECH HOLDINGS BERHAD
Company No.897694-T
(Incorporated in Malaysia under the Companies Act,1965)

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

Unaudited Condensed Consolidated Statements Of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-2013 RM'000	Preceding Year Corresponding Quarter 31-Oct-2012 RM'000	Current Year to Date 30-Sep-2013 RM'000	Preceding Year Corresponding Period 31-Oct-2012 RM'000
Revenue	55,294	45,203	106,824	87,250
Cost of sales	(41,760)	(35,406)	(81,551)	(68,401)
Gross profit	13,534	9,797	25,273	18,849
Other operating income and expenses	(3,875)	(2,617)	(7,079)	(4,295)
Finance costs	(13)	(19)	(27)	(40)
Profit before taxation	9,646	7,161	18,167	14,514
Income tax expense	(2,496)	(1,920)	(4,679)	(3,840)
Profit after taxation	7,150	5,241	13,488	10,674
Other Comprehensive Income, Net of Tax				
- Cash flow hedge	(786)	1,077	(1,506)	(11)
	(786)	1,077	(1,506)	(11)
Total Comprehensive Income	6,364	6,318	11,982	10,663
Profit after taxation attributable to : Owners of the Company	7,150	5,241	13,488	10,674
Total comprehensive income attributable to : Owners of the Company	6,364	6,318	11,982	10,663
Weighted average no. of ordinary shares in issue ('000)	258,000	258,000	258,000	258,000
Earnings per share attributable to owners of the Company:				
Basic (sen)	2.77	2.03	5.23	4.14
Diluted (sen)	N/A	N/A	N/A	N/A

Notes :
N/A - Not applicable

(a) 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 period ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial statements.

BOILERMECH

BOILERMECH HOLDINGS BERHAD
Company No.897694-T
(Incorporated in Malaysia under the Companies Act,1965)

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

Unaudited Condensed Consolidated Statement of Financial Position

	UNAUDITED As at 30-Sep-2013	AUDITED As at 31-Mar-2013
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,504	40,726
	41,504	40,726
Current assets		
Inventories	30,420	19,316
Amount owing by contract customers	15,158	9,878
Trade receivables	51,217	61,722
Other receivables, deposits and prepayments	1,870	5,155
Tax refundable	36	57
Liquid investments	59,631	27,035
Cash and bank balances	7,333	13,108
	165,665	136,271
TOTAL ASSETS	207,169	176,997
EQUITY AND LIABILITIES		
Equity		
Share capital	25,800	25,800
Share premium	7,619	7,619
Cash flow hedge reserve	(1,560)	(54)
Merger deficit	(21,810)	(21,810)
Retained profits	75,485	67,157
Total equity	85,534	78,712
Non-current liabilities		
Term loan	466	683
Deferred tax liabilities	795	813
	1,261	1,496
Current liabilities		
Amount owing to contract customers	75,854	63,322
Trade payables	34,570	28,627
Other payables and accruals	5,714	3,869
Amount owing to related company	1	24
Provision for taxation	1,764	384
Term loan	440	440
Derivative liabilities	2,031	123
	120,374	96,789
TOTAL LIABILITIES	121,635	98,285
TOTAL EQUITY AND LIABILITIES	207,169	176,997
Net assets per share attributable to owners of the Company (RM) #	0.33	0.31

Notes :

The net assets per share is computed based on 258,000,000 ordinary shares of RM0.10 each

(a) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial statements.

BOILERMECH HOLDINGS BERHAD
Company No.897694-T
(Incorporated in Malaysia under the Companies Act,1965)

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

Unaudited Condensed Consolidated Statement of Cash Flows

	Current Year to Date 30-Sep-2013 RM'000	Preceding Year Corresponding Period 31-Oct-2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,167	14,514
Adjustments for :		
Depreciation of property, plant and equipment	1,202	770
Equipment written off	-	4
Fair value loss on derivatives	402	34
Impairment losses on trade receivables	2,128	1,344
Interest expenses	27	40
Unrealised (gain) / loss on foreign exchange	(450)	23
Gain on disposal of equipment	-	(112)
Interest income	(616)	(546)
Write-back of impairment losses on trade receivables	(937)	(612)
Operating profit before working capital changes	19,923	15,459
(Increase) / Decrease in amount owing by contract customers	(5,280)	9,652
Increase in inventories	(11,104)	(3,058)
Decrease / (Increase) in trade and other receivables	13,027	(7,497)
Increase in trade and other payables	7,810	7,746
Increase / (Decrease) in amount owing to contract customers	12,532	(2,711)
Cash from operations	36,908	19,591
Interest paid	(27)	(40)
Income tax paid	(3,296)	(1,913)
Net cash from operating activities	33,585	17,638
CASH FLOW FOR INVESTING ACTIVITIES		
Proceeds from disposal of equipment	-	147
Purchase of property, plant and equipment	(1,980)	(22,126)
Interest received	616	546
Net cash for investing activities	(1,364)	(21,433)
CASH FLOW FOR FINANCING ACTIVITIES		
Repayment of term loan	(217)	(207)
Advances to a related company	(23)	-
Dividends paid	(5,160)	-
Net cash for financing activities	(5,400)	(207)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	26,821	(4,002)
EFFECTS OF FOREIGN EXCHANGE	-	39
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	40,143	38,178
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	66,964	34,215
CASH AND CASH EQUIVALENTS COMPRISE		
Liquid Investments	59,631	25,825
Cash and bank balances	7,333	8,390
	66,964	34,215

Note :

(a) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial statements.

BOILERMECH HOLDINGS BERHAD
Company No.897694-T
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Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

Unaudited Condensed Consolidated Statement of Changes in Equity

	← Non-distributable →				Distributable	
	Share Capital RM'000	**Share Premium RM'000**	**Cash Flow Hedge Reserve RM'000**	**Merger Deficit RM'000**	**Retained Profits RM'000**	**Total RM'000**
Balance at 1/4/2013	25,800	7,619	(54)	(21,810)	67,157	78,712
Dividends	-	-	-	-	(5,160)	(5,160)
Total comprehensive income for the financial period	-	-	(1,506)	-	13,488	11,982
Balance at 30/9/2013	25,800	7,619	(1,560)	(21,810)	75,485	85,534
Balance at 1/5/2012	25,800	7,619	801	(21,810)	47,292	59,702
Dividends	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(11)	-	10,674	10,663
Balance at 31/10/2012	25,800	7,619	790	(21,810)	57,966	70,365

Note :

(a) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial statements.

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

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

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial period ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial report.

During the financial period 31 March 2013, the Group changed its financial year end from 30 April to 31 March.

The Group has adopted the Malaysia Financial Reporting Standards ("MFRS") framework issued by MASB.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report for the Company and its subsidiary preceding annual audited financial statements for the financial period ended 31 March 2013 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any major seasonal or cyclical factors.

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

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

7. Dividend

On 29 May 2013, the Board of Directors proposed a final single tier dividend of 2 sen per ordinary share of RM0.10 each amounting to RM5,160,000 in respect of FYE 30 April 2013.

The said dividend was approved by shareholders at Boilermech's Annual General Meeting held on 21 August 2013 and was paid on 18 September 2013.

8. Segmental Reporting

	6- MONTHS FINANCIAL PERIOD ENDED 30-SEPTEMBER-2013		
	BIO-ENERGY SYSTEMS *	OTHERS	GROUP
	RM'000	RM'000	RM'000
REVENUE			
External sales	106,824	-	106,824
Inter-segment sales	-	-	-
	106,824	-	106,824
Adjustments and eliminations			-
Consolidated revenue			106,824
RESULTS			
Segments results	18,618	(424)	18,194
Finance costs			(27)
Profit before taxation			18,167
Income tax expense			(4,679)
Consolidated Profit after taxation			13,488

* Bio-energy systems comprises manufacturing and repair of bio-energy systems and trading of related parts and accessories

Geographical Segments for Revenue

	Current year Quarter 30 September 2013 RM'000	Current Year to-Date 30 September 2013 RM'000
Local	27,015	51,686
Export	28,279	55,138
Total	55,294	106,824

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

9. Changes in the Composition of the Group

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

10. Contingent Liabilities

	Current Year to-Date 30-September-2013 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	35,847

11. Capital Commitments

The amount of capital commitments not provided for in the financial statements are as follows:

	Current Year to-Date 30-September-2013 RM'000
Property, plant and equipment	
Approved but not contracted for Purchase of property and equipment	600
Approved and contracted for Purchase of property and equipment	4,416

12. Material Events Subsequent to the End of the Interim Reporting Period

Save as disclosed below, there were no other events subsequent to the current financial quarter ended 31 March 2013 up to the date of this interim financial report which may substantially affect the results of the operations of the Group:

On 8 November 2013, the Board of Directors have proposed to undertake the following proposals:-

(i) proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of Boilermech from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad;

(ii) proposed bonus issue of 258,000,000 Bonus Shares on the basis of one (1) Bonus share for every one (1) existing Boilermech Share held by the entitled shareholders of Boilermech on an entitlement date to be determined later; and

(iii) proposed increase in the authorised share capital of Boilermech from RM50,000,000 comprising 500,000,000 Boilermech Shares to RM100,000,000 comprising 1,000,000,000 Boilermech Shares.

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

13. Related Party Disclosures

(a) Identities of related parties

For the purpose of this financial statement, 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.

Key management personnel are defined as those person having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

(b) In addition to balances detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the interim financial period:

(i) Key management personnel

	Current Year to-Date 30- September-2013 RM'000
Short-term employee benefits	1,575

(ii) Entities controlled by key management personnel, directors and/or substantial shareholders

	Current Year to-Date 30- September-2013 RM'000
Sales to related parties	2,413
Purchase from related party	130
Management fee to related party	36

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

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

1. Review of Performance

Individual Quarter	Current year Quarter 2	Preceding year Quarter 2	Variance	Variance
	30 September 2013	31 October 2012		
	RM'000	RM'000	RM'000	%
Revenue	55,294	45,203	10,091	22.3%
PBT	9,646	7,161	2,485	34.7%
PBT Margin (%)	17.4%	15.8%		

Cumulative Quarter	Current year to date	Preceding year to date	Variance	Variance
	Quarter 2	Quarter 2		
	30 September 2013	31 October 2012		
	RM'000	RM'000	RM'000	%
Revenue	106,824	87,250	19,574	22.4%
PBT	18,167	14,514	3,653	25.2%
PBT Margin (%)	17.0%	16.6%		

For the current quarter and current year to date under review, the Group registered revenue of RM55.29 million and RM106.82 million respectively.

The revenue in Current year Quarter 2 increased by RM10.09 million, representing an improvement of 22.3%, as compared to the revenue achieved in the preceding year corresponding quarter. Similarly, the revenue in Current year to date increased by RM19.57 million. This represents an improvement of 22.4%, as compared to the revenue recorded in the preceding year corresponding year to date 2013.

This increase in revenue was mainly due to the increase in activity levels in manufacturing, deliveries and installation of boilers.

The PBT in Current year Quarter 2 increased by RM2.48 million, which was an improvement of 34.7%, as compared to the preceding year corresponding quarter while the PBT in Current year to date 2014 increased by RM3.65 million, an improvement of 25.2%, as compared to the preceding year corresponding year to date.

PBT margin for Current year Quarter 2 stood at 17.4% as compared to 15.8% PBT margin in the previous year corresponding quarter. The PBT margin for the current 6 month period stood at 17.0% as compared to the 16.6% PBT margin recorded for the 6 month period of the preceding year. The higher margin for Current year Quarter 2 & cumulative 6 months PBT was contributed by certain higher margin projects.

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

2. Material Changes To The Results Of The Preceding Quarter

Individual Quarter	Current year Quarter 2	Current year Quarter 1	Variance	Variance
	30 September 2013	30 June 2013		
	RM'000	RM'000	RM'000	%
Revenue	55,294	51,530	3,764	7.3%
PBT	9,646	8,521	1,125	13.2%
PBT Margin (%)	17.4%	16.5%		

The Revenue in Current year Quarter 2 increased by RM3.76 million, representing an increase of 7.3%, as compared to Current year Quarter 1. This was mainly due to the higher activity levels in the quarter.

The PBT in Current year Quarter 2 increased by RM1.12 million. The PBT margin was slightly higher at 17.4% compared to 16.5% in current year Quarter 2. This was mainly due to the higher profit margin from certain projects.

3. Prospects

The Board is optimistic on the prospects of the Group as the Company's order book remains strong and the financial performance continues to be positive.

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 30- September-2013 RM'000	**Current Year to-Date 30- September-2013 RM'000**
Current tax	(2,496)	(4,679)

6. Status of Corporate Proposal

(a) Utilisation of proceeds

The Company received proceeds of RM11.517 million from the public issue of 34,900,000 Shares, and the proceeds have been utilised in the following manner :-

	Proposed utilisation	Actual utilisation as at 25.11.2013	Intended timeframe for utilisation upon listing on 5 May 2011	Balance	
	RM'000	RM'000		RM'000	
Business expansion plans	4,000	2,680	within two (2) years	1,320	*
Repayment of term loan	2,500	2,500	within one (1) month	-	
Working capital	3,317	3,317	within one (1) year	-	
Estimated listing expenses	1,700	1,700	within one (1) year	-	
	11,517	10,197		1,320	

*On 19 March 2013, the Board had resolved to approve the extension of time for the utilisation of the remaining IPO proceeds for the business expansion plans until 5 May 2014.

(b) Corporate Proposal

On 8 November 2013, the Board of Directors have proposed to undertake the following proposals:-

(ii) proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of Boilermech from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad;

(ii) proposed bonus issue of 258,000,000 Bonus Shares on the basis of one (1) Bonus share for every one (1) existing Boilermech Share held by the entitled shareholders of Boilermech on an entitlement date to be determined later; and

(iii) proposed increase in the authorised share capital of Boilermech from RM50,000,000 comprising 500,000,000 Boilermech Shares to RM100,000,000 comprising 1,000,000,000 Boilermech Shares.

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

7. Borrowings

The Group's borrowings as at 30 Sept 2013 are as follows:

	Secured RM'000
Short-term borrowings	
Term loans	440
Long-term borrowings	
Term loans	466
Total	906

The term loan is secured by:-

(a) a first legal charge over a leasehold land and building
(b) a corporate guarantee of the Company.

There were no unsecured debts during the current quarter under review and financial year to-date.

The Group does not have any foreign borrowing or debt securities as at the date of this interim report.

8. Derivatives Financial Instruments

As at 30 September 2013, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Derivative Liability RM'000
Currency forwards		
- Less than 1 year	89,081	2,031

9. Material Litigation

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

10. Dividend

On 29 May 2013, the Board of Directors proposed a final single tier dividend of 2 sen per ordinary share of RM0.10 each amounting to RM5,160,000 in respect of FYE 30 April 2013.

The said dividend was approved by shareholders at Boilermech's Annual General Meeting held on 21 August 2013 and was paid on 18 September 2013.

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

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 30-September-2013	Preceding Year Corresponding Quarter 31-October-2012	Current Year to-date 30-September-2013	Preceding Year Corresponding Period 31-October-2012
Profit after Taxation attributable to owners of the Company (RM'000)	7,150	5,241	13,488	10,674
Weighted average number of ordinary shares in issue ('000)	258,000	258,000	258,000	258,000
Basic earnings per share (sen)	2.77	2.03	5.23	4.14

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.

12. Realised and unrealised profits

Disclosure of realised and Unrealised Profit/(Loss)

	Current Year Quarter 30- September-2013 RM'000	As at 30- September-2013 RM'000
Total retained profit of the Group :		
- Realised	6,898	74,799
- Unrealised	252	686
Total group retained profits as per consolidated accounts	7,150	75,485

Unaudited Interim Financial Statements for the 2nd Quarter Ended 30 September 2013

13. Notes to the statement of comprehensive income

Income / (Expenses)	**Current Year Quarter 30- September-2013 RM'000**	**Current Year to-Date 30- September-2013 RM'000**
Interest income	378	616
Other income including investment income	19	54
Interest expense	(13)	(27)
Depreciation and amortization	(612)	(1,202)
Provision for and write off of receivables	(421)	(1,191)
Provision for and write off of inventories	-	-
Gain or loss on disposal of equipment	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(878)	133
Gain or (loss) on derivatives	185	(402)
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 25 November 2013.