



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

Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

Unaudited Condensed Consolidated Statements of Profit or Loss

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-2020 RM'000	Preceding Year Corresponding Quarter 30-Jun-2019 RM'000	Current Year to Date 30-Jun-2020 RM'000	Preceding Year Corresponding Period 30-Jun-2019 RM'000
Revenue	32,028	60,790	32,028	60,790
Cost of sales	(24,507)	(47,085)	(24,507)	(47,085)
Gross profit	7,521	13,705	7,521	13,705
Other operating income and expenses	(3,934)	(4,832)	(3,934)	(4,832)
Finance costs	(46)	(116)	(46)	(116)
Profit before taxation	3,541	8,757	3,541	8,757
Income tax expense	(1,057)	(2,109)	(1,057)	(2,109)
Profit after taxation	2,484	6,648	2,484	6,648
Profit after taxation attributable to :				
Owners of the Company	2,342	6,462	2,342	6,462
Non-controlling interest	142	186	142	186
	2,484	6,648	2,484	6,648
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)	0.45	1.25	0.45	1.25
Diluted (sen)	0.45	1.25	0.45	1.25

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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

Unaudited Condensed Consolidated Statements of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-2020 RM'000	Preceding Year Corresponding Quarter 30-Jun-2019 RM'000	Current Year to Date 30-Jun-2020 RM'000	Preceding Year Corresponding Period 30-Jun-2019 RM'000
Profit after taxation	2,484	6,648	2,484	6,648
Other Comprehensive Income/(expenses), Net of Tax				
<i>Items that will be reclassified subsequently to Profit or Loss</i>				
- Foreign currency translation differences	3,612	(131)	3,612	(131)
- Cash flow hedge	268	(616)	268	(616)
	3,880	(747)	3,880	(747)
Total Comprehensive Income	6,364	5,901	6,364	5,901
Total comprehensive income attributable to :				
Owners of the Company	6,222	5,715	6,222	5,715
Non-controlling interest	142	186	142	186
	6,364	5,901	6,364	5,901

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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

Unaudited Condensed Consolidated Statement of Financial Position

	UNAUDITED As at 30-Jun-2020 RM'000	AUDITED As at 31-Mar-2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	94,042	92,145
Investment property	10,596	6,059
Deferred tax assets	967	958
Goodwill	5,731	3,931
	111,336	103,093
Current assets		
Inventories	39,858	35,572
Contract assets	31,810	34,516
Trade receivables	58,495	62,503
Other receivables, deposits and prepayments	21,088	16,277
Current tax assets	829	616
Liquid investments	48,045	38,007
Fixed deposit with a licensed bank	4,536	6,579
Cash and bank balance	29,740	14,098
	234,401	208,168
TOTAL ASSETS	345,737	311,261
EQUITY AND LIABILITIES		
Equity		
Share capital	51,600	51,600
Merger deficit	(21,810)	(21,810)
Reserves	188,814	182,592
Equity attributable to owners of the Company	218,604	212,382
Non-controlling interests	11,193	10,584
Total Equity	229,797	222,966
Non-current liabilities		
Borrowings	8,555	4,297
Employee benefit	220	220
Deferred tax liabilities	1,375	1,367
	10,150	5,884
Current liabilities		
Contract liabilities	58,812	45,099
Trade payables	31,871	23,375
Other payables and accruals	8,590	5,926
Short-term borrowings	4,344	3,086
Current tax liabilities	2,044	2,648
Derivative liabilities	129	2,277
	105,790	82,411
TOTAL LIABILITIES	115,940	88,295
TOTAL EQUITY AND LIABILITIES	345,737	311,261
Net assets per share attributable to owners of the Company (RM)	0.42	0.41

Notes :

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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

Unaudited Condensed Consolidated Statement of Cash Flows

	Current Year to Date 30-Jun-2020 RM'000	Preceding Year Corresponding Period 30-Jun-2019 RM'000
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	3,541	8,757
Adjustments for :		
Reversal of allowance for impairment losses on trade receivables	(552)	(118)
Depreciation	979	1,054
Fair value (gain) / loss on derivatives	(1,880)	302
Interest expenses	46	116
Inventories written down	52	-
Gain on disposal of equipment	-	(80)
Interest income	(368)	(812)
Unrealised loss / (gain) on foreign exchange	39	(122)
Operating profit before working capital changes	1,857	9,097
Decrease/(Increase) in contract assets	3,921	(1,459)
Increase in inventories	(3,457)	(2,856)
Decrease/(Increase) in trade and other receivables	6,690	(6,328)
Increase/(Decrease) in trade and other payables	5,756	(197)
Increase in contract liabilities	12,020	1,121
Cash from / (used in) operations	26,787	(622)
Interest paid	(46)	(116)
Income tax paid	(1,875)	(993)
Net cash from / (used in) operating activities	24,866	(1,731)
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Proceeds from disposal of equipment	-	80
Purchase of property, plant and equipment	(203)	(330)
Interest received	368	812
Acquisition of new subsidiary company, net of cash	(2,355)	-
Net cash (used in) / from investing activities	(2,190)	562
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of revolving credits	-	5,000
Drawdown/(Repayment) of bankers' acceptances	323	(229)
Repayment of lease liabilities	(82)	-
Repayment of hire purchase obligations	-	(118)
Repayment of term loan	(2)	(102)
Net cash from financing activities	239	4,551
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,915	3,382
EFFECTS OF FOREIGN EXCHANGE	722	82
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	58,684	97,275
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	82,321	100,739
CASH AND CASH EQUIVALENTS COMPRISE		
Liquid Investments	48,045	73,352
Deposits with a licensed bank	4,536	-
Cash and bank balances	29,740	27,387
	82,321	100,739

Note :

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 2020 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

Unaudited Condensed Consolidated Statements of Changes in Equity

	←			Attributable to owners of the Company			→		
	Share Capital RM'000	Merger Deficit RM'000	Cash Flow Hedge Reserve RM'000	Non-distributable Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 April 2020	51,600	(21,810)	(718)	8	(3,226)	186,528	212,382	10,584	222,966
Profit after taxation for the financial period	-	-	-	-	-	2,342	2,342	142	2,484
Other comprehensive income for the financial period:									
Cash flow hedge	-	-	268	-	-	-	268	-	268
Foreign currency translation differences for foreign operation	-	-	-	-	3,612	-	3,612	-	3,612
Total comprehensive income for the financial period	-	-	268	-	3,612	2,342	6,222	142	6,364
Non-controlling interest of a new subsidiary acquired	-	-	-	-	-	-	-	467	467
Balance as at 30 June 2020	51,600	(21,810)	(450)	8	386	188,870	218,604	11,193	229,797
Balance as at 1 April 2019	51,600	(21,810)	755	-	45	173,593	204,183	10,125	214,308
Profit after taxation for the financial period	-	-	-	-	-	6,462	6,462	186	6,648
Other comprehensive income for the financial period:									
Cash flow hedge	-	-	(616)	-	-	-	(616)	-	(616)
Foreign currency translation differences for foreign operation	-	-	-	-	(131)	-	(131)	-	(131)
Total comprehensive income for the financial period	-	-	(616)	-	(131)	6,462	5,715	186	5,901
Balance as at 30 June 2019	51,600	(21,810)	139	-	(86)	180,055	209,898	10,311	220,209

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 for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

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 2020 and the accompanying explanatory notes attached to this interim financial report.

(A) Standards issued and effective

The Group are in the process of applying 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") that are effective for the current financial year: -

i) Effective for annual periods commencing on or after 1 January 2020

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The Group are currently assessing the financial impact that may arise from the adoption of the above accounting standard(s) and/or IC interpretation(s) (including the consequences amendments, if any) 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 June 2020

- Amendments to MFRS 16: COVID-19-Related Rent Concessions

ii) Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 Insurance Contracts

iii) Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- 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



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Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2020

1. Basis of Preparation (cont'd)

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

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: - (cont'd)

iv) Deferred

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

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 2020 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 factor 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.