



## **INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 30 JUNE 2021**

### **SOLARVEST HOLDINGS BERHAD**

Registration No.: 201701033607 (1247778-U)  
(Incorporated in Malaysia)

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021<sup>(1)</sup>

	Unaudited As At 30/6/2021 RM'000	Audited As At 31/3/2021 RM'000
	Note	
<b>Non-current assets</b>		
Property, plant and equipment	13,576	13,057
Right-of-use assets	6,258	6,573
Investment properties	2,452	2,476
Intangible assets	296	330
Deferred tax assets	4	7
Trade receivables	7,030	7,030
	29,616	29,473
<b>Current assets</b>		
Inventories	25,416	10,304
Trade receivables	46,299	44,982
Other receivables, deposits and prepayments	15,891	7,494
Contract assets	33,675	41,509
Current tax assets	2,680	172
Short term investments	15,280	15,229
Fixed deposits with financial institutions	25,140	21,378
Cash and bank balances	20,811	55,595
	185,192	196,663
<b>Total assets</b>	214,808	226,136
<b>Equity</b>		
Share capital	98,421	98,421
Foreign currency translation reserve	36	18
Reorganisation reserve	(25,261)	(25,261)
Retained earnings	58,341	58,189
	131,537	131,367
Non-controlling interest	1,035	995
<b>Total equity</b>	132,572	132,362

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021<sup>(1)</sup>

		Unaudited As At 30/6/2021 RM'000	Audited As At 31/3/2021 RM'000
	Note		
<b>Non-current liabilities</b>			
Bank borrowings	B7	2,909	2,942
Lease liabilities	B7	6,509	6,890
Redeemable preference shares		5,648	5,513
Trade payables		1,555	1,555
Contract liabilities		3,632	3,643
Deferred tax liabilities		38	45
		<u>20,291</u>	<u>20,588</u>
<b>Current liabilities</b>			
Trade payables		33,767	50,197
Other payables and accruals		10,627	9,557
Provisions		238	238
Bank borrowings	B7	9,391	2,427
Lease liabilities	B7	1,610	1,705
Contract liabilities		6,312	9,062
		<u>61,945</u>	<u>73,186</u>
<b>Total liabilities</b>		<u>82,236</u>	<u>93,774</u>
<b>Total equity and liabilities</b>		<u>214,808</u>	<u>226,136</u>
Number of ordinary shares in issue ('000)		633,954	633,954
Net assets per share (RM)		0.21	0.21

- (1) The Unaudited Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

**SOLARVEST HOLDINGS BERHAD**

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021

**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup>**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		<u>30/6/2021<sup>(1)</sup></u> RM'000	<u>30/6/2020</u> RM'000	<u>30/6/2021<sup>(1)</sup></u> RM'000	<u>30/6/2020</u> RM'000
Revenue		22,750	28,750	22,750	28,750
Cost of sales		<u>(17,049)</u>	<u>(24,680)</u>	<u>(17,049)</u>	<u>(24,680)</u>
<b>Gross Profit</b>		5,701	4,070	5,701	4,070
Other income		250	1,011	250	1,011
Administrative expenses		(4,697)	(3,331)	(4,697)	(3,331)
Sales and distribution expenses		<u>(201)</u>	<u>(148)</u>	<u>(201)</u>	<u>(148)</u>
<b>Profit from operations</b>		1,053	1,602	1,053	1,602
Finance costs		<u>(476)</u>	<u>(316)</u>	<u>(476)</u>	<u>(316)</u>
<b>Profit before taxation</b>		577	1,286	577	1,286
Taxation	B5	<u>(403)</u>	<u>(487)</u>	<u>(403)</u>	<u>(487)</u>
<b>Profit for the financial period</b>		174	799	174	799
<b>Other comprehensive income:</b>					
Foreign currency translation differences		36	-	36	-
<b>Total comprehensive income for the financial period</b>		<u>210</u>	<u>799</u>	<u>210</u>	<u>799</u>

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JUNE 2021<sup>(1)</sup>

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		<u>30/6/2021<sup>(1)</sup></u> RM'000	<u>30/6/2020</u> RM'000	<u>30/6/2021<sup>(1)</sup></u> RM'000	<u>30/6/2020</u> RM'000
<b>Profit for the financial period attributable to:</b>					
Owners of the Company		152	814	152	814
Non-controlling interest		<u>22</u>	<u>(15)</u>	<u>22</u>	<u>(15)</u>
		<u>174</u>	<u>799</u>	<u>174</u>	<u>799</u>
<b>Total comprehensive income for the financial period attributable to:</b>					
Owners of the Company		170	814	170	814
Non-controlling interest		<u>40</u>	<u>(15)</u>	<u>40</u>	<u>(15)</u>
		<u>210</u>	<u>799</u>	<u>210</u>	<u>799</u>
<b>Earnings per share attributable to Owners of the Company (sen)</b>					
- Basic <sup>(2)</sup>	B10	0.02	0.21	0.02	0.21
- Diluted <sup>(3)</sup>	B10	0.02	0.21	0.02	0.21

(1) The Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on the weighted average number of ordinary shares outstanding during the financial period under review.

(3) Based on the weighted average number of ordinary shares adjusted on the assumption that the warrants issued are fully exercised and converted into ordinary shares.

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup>

	-----Non-distributable-----			Distributable			Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000	Non- controlling interest RM'000	
<b>Balance as at 1 April 2021</b>	98,421	(25,261)	18	58,189	131,367	995	132,362
Profit for the financial period	-	-	-	152	152	22	174
Currency translation differences for foreign operations	-	-	18	-	18	18	36
Comprehensive income for the financial period	-	-	18	152	170	40	210
Issuance of shares	*	-	-	-	*	-	*
<b>Balance as at 30 June 2021</b>	<b>98,421</b>	<b>(25,261)</b>	<b>36</b>	<b>58,341</b>	<b>131,537</b>	<b>1,035</b>	<b>132,572</b>

<sup>(1)</sup> The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes are an integral part of this interim financial report.

\* Represent less than 1,000

**SOLARVEST HOLDINGS BERHAD**

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup> (CONT'D)**

	----Non-distributable----		Distributable		Non-controlling interest	Total equity
	<u>Share capital</u>	<u>Reorganisation reserve</u>	<u>Retained earnings</u>	<u>Equity attributable to Owners of the Company</u>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 April 2020</b>	59,842	(25,261)	46,269	80,850	364	81,214
Profit for the financial period	-	-	814	814	(15)	799
<b>Balance as at 30 June 2020</b>	<b>59,842</b>	<b>(25,261)</b>	<b>47,083</b>	<b>81,664</b>	<b>349</b>	<b>82,013</b>

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup>

	Unaudited 3 months ended	
	30/6/2021 <sup>(1)</sup> RM'000	30/6/2020 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	577	1,286
Adjustments for:		
Amortisation of intangible assets	34	34
Depreciation of property, plant and equipment	729	599
Depreciation of investment properties	13	5
Finance costs	476	316
Finance income	(167)	(228)
Gain on disposal of property, plant and equipment	(1)	-
Unrealised loss/(gain) on foreign exchange	121	(699)
Other adjustments	34	-
<b>Operating profit before working capital changes</b>	<b>1,816</b>	<b>1,343</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in inventories	(15,112)	5,614
(Increase)/Decrease in trade and other receivables, deposits and prepayments	(9,706)	4,689
Decrease/(Increase) in contract assets	7,834	(2,413)
Decrease in trade and other payables, accruals and provision	(15,479)	(21,540)
(Decrease)/Increase in contract liabilities	(2,760)	13,483
Cash (used in)/generated from operations	(33,407)	1,176
Finance costs paid	(341)	(193)
Interest income received	159	209
Tax paid	(2,916)	(252)
Net cash (used in)/generated from operating activities	(36,505)	940



**SOLARVEST HOLDINGS BERHAD**

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup>**

	Unaudited 3 months ended	
	30/6/2021 <sup>(1)</sup>	30/6/2020
	RM'000	RM'000
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant & equipment	(965)	-
Proceeds from disposal of property plant & equipment	10	-
Net cash used in investing activities	(955)	-
<b>Cash Flows from Financing Activities</b>		
Increase in fixed deposits pledged	(8,840)	(170)
Placement into sinking fund for banking facilities	(539)	-
Changes on banker's acceptances	5,723	8,888
Repayment of finance lease liabilities	(189)	-
Repayment of lease liabilities	(287)	(238)
Repayment of term loans	(76)	(75)
Proceeds from conversion of warrants to shares	*	-
Net cash (used in)/generated from financing activities	(4,208)	8,405
<b>Net (decrease)/increase in cash and cash equivalents</b>	(41,668)	9,345
<b>Effect of foreign exchange rate changes</b>	36	-
<b>Cash and cash equivalents as at beginning of financial year</b>	73,184	44,076
<b>Cash and cash equivalents as at end of financial period</b>	31,552	53,421

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2021<sup>(1)</sup>

	Unaudited 3 months ended	
	30/6/2021 <sup>(1)</sup>	30/6/2020
	RM'000	RM'000
<b>Cash and cash equivalents at the end of financial period comprise:</b>		
Cash and bank balances	20,811	40,114
Fixed deposits with financial institutions	25,140	18,555
	<hr/>	<hr/>
	45,951	58,669
Less: Fixed deposits pledged	(24,239)	(10,452)
Less: Sinking fund account	(2,039)	(1,500)
Less: Bank overdraft	(3,401)	(3,471)
Add: Short term investments	15,280	10,175
	<hr/>	<hr/>
	31,552	53,421

<sup>(1)</sup> The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes are an integral part of this interim financial report.

\* Represent less than 1,000

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING****A1. Basis of preparation**

The interim financial report of Solarvest Holdings Berhad (“Solarvest” or “the Company”) and its subsidiaries (collectively known as “the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134 Interim Financial Reporting and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes in this interim financial report.

**A2. Significant accounting policies**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2021, except for the following:

**a) Effective for annual period beginning on or after 1 June 2020**

- Amendments to MFRS 16 Lease: Covid-19 - Related Rent Concessions

**b) Effective for annual period beginning on or after 1 January 2021**

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

**c) Effective for annual period beginning on or after 1 January 2022**

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**A2. Significant accounting policies (Cont'd)****d) Effective for annual period beginning on or after 1 January 2023**

- Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates

**e) Effective date deferred to a date to be determined and announced**

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

The Group has not applied the above amendments and interpretations as they have yet to be effective.

**A3. Auditors' report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2021.

**A4. Seasonal or cyclical factors**

The business operations of the Group were not affected by seasonal or cyclical factors.

**A5. Material Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

**A6. Material changes in estimates**

There were no changes in estimates that have a material effect in the current financial quarter under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

---

### **A7. Debt and equity securities**

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review, save as below: -

A total of 900 new ordinary shares were issued pursuant to the exercise of 900 warrants at the issue price of RM1.00 per share. The shares were listed and quoted on the ACE Market of Bursa Malaysia Securities on 22 April 2021.

### **A8. Dividend Paid**

There was no dividend paid during the current financial quarter under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### A9. Segmental Reporting

The Group's operating activities were derived from four (4) main business segments, namely the following:-

<b>Unaudited Cumulative quarter 30/6/2021</b>	<b>Investment Holding RM'000</b>	<b>EPCC of solar energy solution RM'000</b>	<b>O&amp;M of solar energy system RM'000</b>	<b>Sale of electricity through solar energy RM'000</b>	<b>Others<sup>(1)</sup> RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	21,572	840	488	(150)	-	22,750
Inter-segment revenue	-	7,664	607	-	-	(8,271)	-
	-	29,236	1,447	488	(150)	(8,271)	22,750
<b>Results</b>							
Segment results	(167)	984	344	510	(9)	-	1,662
Interest income	65	102	-	-	-	-	167
Interest expenses	-	(447)	-	(29)	-	-	(476)
Depreciation and amortisation	-	(726)	-	(50)	-	-	(776)
Profit before tax	(102)	(87)	344	431	(9)	-	577

(1) Being one off project management of electrical and telephone services for the Group's third party and money lending services which no activities were recorded for the period under review.

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### A9. Segmental Reporting (Cont'd)

The Group's operating activities were derived from four (4) main business segments, namely the following (Cont'd):-

<b>Unaudited Cumulative quarter 30/6/2020</b>	<b>Investment Holding RM'000</b>	<b>EPCC of solar energy solution RM'000</b>	<b>O&amp;M of solar energy system RM'000</b>	<b>Sale of electricity through solar energy RM'000</b>	<b>Others<sup>(1)</sup> RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>							
External revenue	-	28,025	304	452	(31)	-	28,750
Inter-segment revenue	-	4,101	12	-	-	(4,113)	-
	-	32,126	316	452	(31)	(4,113)	28,750
<b>Results</b>							
Segment results	(163)	1,634	97	445	(1)	-	2,012
Interest income	121	107	-	-	-	-	228
Interest expenses	-	(286)	-	(30)	-	-	(316)
Depreciation and amortisation	-	(564)	-	(74)	-	-	(638)
Profit before tax	(42)	891	97	341	(1)	-	1,286

<sup>(1)</sup> Being one off project management of electrical and fire protection works for the Group's related party and third party.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**A10. Significant event after the end of the Interim Financial Period**

There were no other material events subsequent to the end of the current financial period under review that have not been reflected in this interim financial report.

**A11. Changes in the composition of the Group**

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

**A12. Contingent liabilities and contingent assets**

There were no contingent assets as at the date of this interim financial report. Contingent liabilities of the Group were as follows: -

	<b>Unaudited RM'000</b>
<b>Secured</b>	
Bank guarantees for bid bond, performance guarantee and warranty bond provided to customers	32,380

**A13. Corporate Guarantees**

	<b>Unaudited RM'000</b>
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	88,089

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**A14. Capital commitments**

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2021 is as follows:

	<b>Unaudited RM'000</b>
<b><i>Property, plant and equipment</i></b>	
Contracted but not provided for	344

**A15. Significant Related Party Transactions**

Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current financial period ended 30 June 2021 were as follows: -

	<b>Unaudited RM'000</b>
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
- Revenue from operations & maintenance services	22

These transactions have been entered into in the normal course of business.

**A16. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial period under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Group's Performance

	Quarter ended		Variance	
	30/6/2021 ("Q1/22") RM'000	30/6/2020 ("Q1/21") RM'000	RM'000	(%)
Revenue	22,750	28,750	(6,000)	-20.87
Profit before tax	577	1,286	(709)	-55.13
Profit after tax	174	799	(625)	-78.22

#### Comparison between Q1/22 with Q1/21

For the quarter under review, the Group's revenue was down by RM6 million or 20.87% to RM22.75 million from RM28.75 million as compared to preceding year quarter ended 30 June 2020. The lower revenue recorded mainly attributed to lower revenue contribution from the EPCC segment compared to last year corresponding quarter. The construction progress for all our sites were halted after the Government had announced a full lockdown on 28 May 2021. The Group was only able to perform limited scope of works remotely during the lockdown.

The Group's registered a drop in profit before tax (PBT) by RM0.71 million or 55.13% to RM0.58 million as compared to RM1.29 million in corresponding period in preceding year. The lower PBT recorded was mainly due to higher administrative expenses attributable to increase in staff costs, professional fee, depreciation and amortisation for the quarter under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

---

### B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B2. Comparison with immediate preceding quarter's results

	Quarter Ended		Variance	
	30/6/2021 RM'000	31/03/2021 RM'000	RM'000	(%)
Revenue	22,750	63,161	(40,411)	-63.98
Profit before tax	577	8,534	(7,957)	-93.24
Profit after tax	174	6,279	(6,105)	97.23

The numerous restrictions imposed by the Government to control the spread of the Covid-19 had impacted construction progress of all projects due to temporary sites closures. The decrease in revenue has resulted in the Group's PBT to drop from RM8.53 million in the preceding quarter to RM0.58 million in the current quarter under review. Performance of the Group is expected to improve when construction work at sites resumes and relaxation of the movement controls under the National Recovery Plan.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**B3. Commentary on prospects**

In Malaysia, the outlook of the solar PV industry is expected to remain bright moving forward well with our LSS@ME nTARI projection are on track. The Government is committed to achieve renewable energy sources contributing 31% to the national electricity capacity generation mix by 2025, with solar energy slated to become the dominant up to 80% of the renewable energy source in the system.

The rising environmental awareness as well as the gradual phase out of the Special Industrial Tariff discount is expected to encourage more business owners to adopt solar PV to reduce cost. In addition to that, the rolled out of various Government initiatives and programmes that support solar PV installation like Net Energy Metering (NEM) targeting residential owners, Government Ministries and Entities will bolster the growth of this industry.

Recently the Group signed the Power Purchase Agreement which officiates the 21-year solar electricity deal with Tenaga Nasional Berhad for the construction and operation of three solar plants across two states with a cumulative capacity of 50MWac. The three plants are scheduled to begin commercial operation between 2022 and 2023 and it is a significant step for the Group to build its revenue streams that will contribute consistent and stable cash flows over a long term, thus enhancing earnings visibility.

The Group also expects to accelerate its efforts in overseas ventures on EPCC contracts and project development in solar asset investment. Taiwan is set to be the next key market with many opportunities to be tapped due to the country's robust growth plan to install 20GW of solar PV by 2025.

To date, the Group has secured approximately RM371 million worth of engineering, procurement, construction and commission jobs under the LSS@ME nTARI programme. This also lifts the outstanding order book to a new high of RM583 million before revenue recognition of the first quarter of the financial year ending (FYE) 2022. As at 1 September 2021, the unbilled order book stood at RM560 million (after revenue recognition of the first quarter ended 30 June 2021) which will be progressively recognised in FYE 2022 and FYE 2023. The Group remains upbeat on the industry outlook, underpinned by a robust job pipeline in private large-scale power plant, residential, commercial & industrial projects.

Barring any unforeseen circumstances, the Board is of the view that the Group's overall performance will improve in view of restrictions easing and opening up of more economic sectors allowing businesses to operate after high vaccination rate against Covid-19.

**B4. Profit Forecast**

The Group has not issued any profit forecast during the current financial quarter under review.

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B5. Taxation

	Unaudited 3 months ended		Unaudited 3 months ended	
	<u>30/6/2021</u>	<u>30/6/2020</u>	<u>30/6/2021</u>	<u>30/6/2020</u>
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current	408	316	408	316
Deferred tax				
- Current	(5)	171	(5)	171
	<u>403</u>	<u>487</u>	<u>403</u>	<u>487</u>
Effective tax rates	69.84%	37.87%	69.84%	37.87%

The effective tax rate of the Group for the current period under review was higher than statutory tax rate of 24% mainly due to tax losses incurred by subsidiary companies which cannot be set off against taxable income of other subsidiary companies.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B6. Status of corporate proposals and utilisation of proceeds

#### 1) Use of proceeds from the Initial Public Offering (“IPO”)

The gross proceeds of RM34.59 million raised from the Public Issue and status of utilisation as at 30 June 2021 are as follows:

<u>Utilisation of proceeds</u>	<u>Proposed utilisation</u> RM'000	<u>Actual utilisation</u> RM'000	<u>Percentage utilisation</u> %	<u>Initial timeframe for utilisation from listing date</u>	<u>Revised timeframe for utilisation of IPO Proceeds</u>
(i) Business expansion	3,000	1,402	46.73	Within 24 months	Within 24 months from 26 May 2021
(ii) Capital expenditure	4,000	565	14.13	Within 18 months	Within 24 months from 26 May 2021
(iii) Working capital	19,190	17,719	92.33	Within 24 months	Within 24 months from 26 May 2021
(iv) Repayment of bank borrowings	5,000	5,000	100.00	Within 3 months	-
(v) Estimated listing expenses	3,400	3,400	100.00	Within 1 month	-
	<u>34,590</u>	<u>28,086</u>	<u>81.20</u>		

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 September 2019.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT****B6. Status of corporate proposals and utilisation of proceeds (cont'd)**

## 2) Use of proceeds from the Private Placement exercise ("Private Placement")

The actual proceeds of RM38.72 million raised from the Private Placement and status of utilisation as at 30 June 2021 are as follows:

<u>Utilisation of proceeds</u>	<u>Timeframe for utilisation from listing date of the Private Placement Shares</u>	<u>Actual Proceeds raised</u> RM'000	<u>Actual utilisation</u> RM'000	<u>Percentage utilisation</u> %
(i) Investment in solar photovoltaic projects	Within 30 months	30,500 <sup>(1)</sup>	-	0.00
(ii) Working capital <sup>(2)</sup>	Within 24 months	8,030 <sup>(1)</sup>	7,564	94.20
(iii) Estimated expenses for the Private Placement	Within 1 month	190 <sup>(1)</sup>	190	100.00
		<u>38,720</u>	<u>7,754</u>	<u>20.03</u>

(1) Allocated proportionately based on the gross proceeds raised as disclosed in the Private Placement announcement dated 13 August 2020 and 15 October 2020.

(2) For the Group's daily operations including the additional working capital requirements for future commercial and industrial projects such as tender deposits and tender bonds, purchase of materials as well as expansion of office space including upkeep or renovation/refurbishment of existing or new offices.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**B6. Status of corporate proposals and utilisation of proceeds (con't)**

## 3) Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

## I. Proposed Private Placement and Proposed Employees' Share Option Scheme

- (a) On 2 November 2020, the Company has been approved to undertake the listing and quotation of up to 78,124,731 Placement Shares to be issued pursuant to the Proposed Private Placement ("Private Placement"), representing up to 20% of the existing issued and paid-up share capital of Company.

On 26 November 2020, 32,000,000 new ordinary shares have been issued through first tranche of Private Placement at issue price of RM1.21 per ordinary share. These placement shares were listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 30 November 2020.

On 31 July 2021, 30,000,000 new ordinary shares have been issued through second tranche of Private Placement at issue price of RM1.01 per ordinary share. These placement shares were listed on Bursa Securities on 3 August 2021.

The Company was granted extension of time to complete the implementation of the Private Placement by 2 November 2021.

- (b) Proposed establishment of an employees' share option scheme involving up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of Solarvest and its subsidiaries ("Proposed ESOS").

As of the date of this report, no share option has been offered.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT**

---

**B6. Status of corporate proposals and utilisation of proceeds (con't)**

3) Status of Corporate Proposals (con't)

II. Proposed Transfer

On 1 September 2020, the Company announced that it proposed to transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the ACE Market to the Main Market of Bursa Securities ("Proposed Transfer").

On 24 May 2021, the Company announced that the application for the Proposed Transfer has been submitted to Securities Commission ("SC") Malaysia. SC had vide its letter dated 15 September 2021, approved the Company's application for the Proposed Transfer.

Bursa Securities had, vide its letter dated 29 September 2021, approved the Transfer under the "Industrial Products & Services" sector. The Transfer will take effect immediately 2 market days upon the announcement to Bursa Securities on the transfer date.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B7. Borrowings

The details of the Group's borrowings are as follows:

	Unaudited 3 months ended	
	<u>30/6/2021</u> RM'000	<u>30/6/2020</u> RM'000
<b>Secured</b>		
<b>Current liabilities</b>		
Lease liabilities	650	704
Bank overdraft	3,401	3,471
Term loans	267	270
Banker's acceptance	5,723	11,095
	<u>10,041</u>	<u>15,540</u>
<b>Non-current liabilities</b>		
Lease liabilities	667	798
Term loans	2,909	3,206
	<u>3,576</u>	<u>4,004</u>
<b>Non-secured</b>		
<b>Current liabilities</b>		
Lease liabilities	960	114
<b>Non-current liabilities</b>		
Lease liabilities	5,842	2,585
	<u>20,419</u>	<u>22,243</u>

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

### B8. Material Litigation

As at the date of this interim financial report, there were no material litigation involving the Group.

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B9. Dividend Proposed

There is no dividend proposed in the current quarter under review.

### B10. Earnings Per Share ("EPS")

The basic EPS is calculated based on the Group's profit after taxation attributable to owners of the Company divided by the weighted average number of ordinary shares in issued during the financial period.

	Unaudited 3 months ended		Unaudited 3 months ended	
	<u>30/6/2021</u> RM'000	<u>30/6/2020</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2020</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	152	814	152	814
Weighted average number of ordinary shares in issue ('000)	633,954	390,624	633,954	390,624
Basic EPS (sen)	0.02	0.21	0.02	0.21

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT****B10. Earnings Per Share (“EPS”) (Cont’d)**

The diluted EPS is calculated based on the Group’s profit after taxation attributable to owners of the Company divided by the weighted average number of ordinary shares adjusted on the assumption that the warrants issued are fully exercised and converted into ordinary shares.

	Unaudited 3 months ended		Unaudited 3 months ended	
	<u>30/6/2021</u>	<u>30/6/2020</u>	<u>30/6/2021</u>	<u>30/6/2020</u>
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company (RM'000)	152	814	152	814
Weighted average number of ordinary shares in issue ('000)	633,954	390,624	633,954	390,624
Effect of dilution ('000)	46,870	-	46,870	-
Adjusted weighted average number of shares ('000)	680,824	390,624	680,824	390,624
Diluted EPS (sen)	0.02	0.21	0.02	0.21

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

# SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2021



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

### B11. Profit Before Tax

	Unaudited 3 months ended		Unaudited 3 months ended	
	<u>30/6/2021</u> RM'000	<u>30/6/2020</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2020</u> RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Amortisation of intangible assets	34	34	34	34
Auditors' remuneration				
- current year	42	35	42	35
Bad debts recovered	(10)	-	(10)	-
Depreciation of property, plant and equipment	729	599	729	599
Depreciation of investment properties				
- freehold building	13	5	13	5
Gain on disposal of property, plant and equipment	(1)	-	(1)	-
Interest expenses	476	316	476	316
Interest income	(167)	(228)	(167)	(228)
Realised loss on foreign exchange	28	349	28	349
Rental expenses	88	94	88	94
Rental income	(64)	(62)	(64)	(62)
Unrealised loss/(gain) on foreign exchange	121	(669)	121	(669)

### B12. Comparative Figures

Comparative figures, where applicable, have been reclassified to conform to the current presentation.

**BY ORDER OF THE BOARD**

**30 September 2021**