



**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 30 JUNE 2022**

SOLARVEST HOLDINGS BERHAD

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

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Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2022



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022⁽¹⁾

	Unaudited As At 30/6/2022 RM'000	Audited As At 31/3/2022 RM'000
	Note	
Non-current assets		
Property, plant and equipment	18,441	16,890
Right-of-use assets	9,295	9,582
Investment properties	2,420	2,431
Investment in an associate	570	579
Intangible assets	161	195
Deferred tax assets	809	814
Trade receivables	2,817	2,026
	<u>34,513</u>	<u>32,517</u>
Current assets		
Inventories	14,056	10,890
Trade receivables	75,364	71,869
Other receivables, deposits and prepayments	30,439	16,990
Contract assets	69,571	62,710
Current tax assets	1,827	2,257
Short term investments	12	5,511
Fixed deposits with financial institutions	25,745	25,037
Cash and bank balances	52,973	25,788
	<u>269,987</u>	<u>221,052</u>
Total assets	<u>304,500</u>	<u>253,569</u>
Equity		
Share capital	133,062	133,062
Foreign currency translation reserve	35	(2)
Reorganisation reserve	(25,261)	(25,261)
Retained earnings	69,376	65,095
	<u>177,212</u>	<u>172,894</u>
Non-controlling interest	2,825	2,747
Total equity	<u>180,037</u>	<u>175,641</u>

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		Unaudited As At 30/6/2022 RM'000	Audited As At 31/3/2022 RM'000
	Note		
Non-current liabilities			
Bank borrowings	B7	2,548	2,628
Lease liabilities	B7	8,725	9,120
Redeemable preference shares		6,217	6,065
Trade payables		2,636	2,819
Contract liabilities		4,957	4,958
Deferred tax liabilities		16	31
		<u>25,099</u>	<u>25,621</u>
Current liabilities			
Trade payables		42,746	36,480
Other payables and accruals		7,099	4,077
Provisions		119	119
Bank borrowings	B7	20,193	4,212
Lease liabilities	B7	1,782	1,798
Contract liabilities		27,425	5,621
		<u>99,364</u>	<u>52,307</u>
Total liabilities		<u>124,463</u>	<u>77,928</u>
Total equity and liabilities		<u>304,500</u>	<u>253,569</u>
Number of ordinary shares in issue ('000)		667,554	667,554
Net assets per Share (RM)		0.27	0.26

- (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 2022 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		<u>30/6/2022⁽¹⁾</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022⁽¹⁾</u> RM'000	<u>30/6/2021</u> RM'000
Revenue		52,660	22,750	52,660	22,750
Cost of sales		<u>(39,736)</u>	<u>(17,049)</u>	<u>(39,736)</u>	<u>(17,049)</u>
Gross Profit		12,924	5,701	12,924	5,701
Other income		401	250	401	250
Administrative expenses		(6,493)	(4,697)	(6,493)	(4,697)
Sales and distribution expenses		<u>(391)</u>	<u>(201)</u>	<u>(391)</u>	<u>(201)</u>
Profit from operations		6,441	1,053	6,441	1,053
Finance costs		(679)	(476)	(679)	(476)
Share of results of an associate		<u>(15)</u>	-	<u>(15)</u>	-
Profit before taxation		5,747	577	5,747	577
Taxation	B5	<u>(1,414)</u>	<u>(403)</u>	<u>(1,414)</u>	<u>(403)</u>
Profit for the financial period		4,333	174	4,333	174
Other comprehensive income:					
Foreign currency translation differences		63	36	63	36
Total comprehensive income for the financial period		<u>4,396</u>	<u>210</u>	<u>4,396</u>	<u>210</u>

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		<u>30/6/2022⁽¹⁾</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022⁽¹⁾</u> RM'000	<u>30/6/2021</u> RM'000
Profit for the financial period attributable to:					
Owners of the Company		4,281	152	4,281	152
Non-controlling interest		<u>52</u>	<u>22</u>	<u>52</u>	<u>22</u>
		<u>4,333</u>	<u>174</u>	<u>4,333</u>	<u>174</u>
Total comprehensive income for the financial period attributable to:					
Owners of the Company		4,318	170	4,318	170
Non-controlling interest		<u>78</u>	<u>40</u>	<u>78</u>	<u>40</u>
		<u>4,396</u>	<u>210</u>	<u>4,396</u>	<u>210</u>
Earnings per Share attributable to Owners of the Company (sen)					
- Basic ⁽²⁾	B10	0.64	0.02	0.64	0.02
- Diluted ⁽³⁾	B10	0.64	0.02	0.64	0.02

(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 2022 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.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾

	-----Non-distributable-----			Distributable		Equity attributable to Owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000				
Balance as at 1 April 2022	133,062	(25,261)	(2)	65,095		172,894	2,747	175,641
Profit for the financial period	-	-	-	4,281		4,281	52	4,333
Currency translation differences for foreign operations	-	-	37	-		37	26	63
Comprehensive income for the financial period	-	-	37	4,281		4,318	78	4,396
Balance as at 30 June 2022	133,062	(25,261)	35	69,376		177,212	2,825	180,037

⁽¹⁾ 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 2022 and the accompanying explanatory notes are an integral part of this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾ (CONT'D)

	-----Non-distributable-----			Distributable		Non-controlling interest RM'000	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		
Balance as at 1 April 2021	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	*	-	-	-	*	-	*
Balance as at 30 June 2021	98,421	(25,261)	36	58,341	131,537	1,035	132,572

* Represent less than 1,000

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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾**

	Unaudited 3 months ended	
	30/6/2022 ⁽¹⁾ RM'000	30/6/2021 RM'000
Cash Flows from Operating Activities		
Profit before taxation	5,747	577
Adjustments for:		
Amortisation of intangible assets	34	34
Depreciation of property, plant and equipment	873	729
Depreciation of investment properties	11	13
Finance costs	679	476
Finance income	(119)	(167)
Gain on disposal of property, plant and equipment	(71)	(1)
Unrealised loss on foreign exchange	586	121
Other adjustments	10	34
Operating profit before working capital changes	7,750	1,816
Changes in working capital		
Increase in inventories	(3,167)	(15,112)
Increase in trade and other receivables, deposits and prepayments	(17,735)	(9,706)
(Increase)/Decrease in contract assets	(6,860)	7,834
Increase/(Decrease) in trade and other payables, accruals and provision	8,521	(15,479)
Increase/(Decrease) in contract liabilities	21,803	(2,760)
Cash generated from/(used in) operations	10,312	(33,407)
Finance costs paid	(527)	(341)
Interest income received	18	159
Tax paid	(993)	(2,916)
Net cash generated from/(used in) operating activities	8,810	(36,505)

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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾**

	Unaudited 3 months ended	
	30/6/2022 ⁽¹⁾ RM'000	30/6/2021 RM'000
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(2,139)	(965)
Proceeds from disposal of property plant & equipment	71	10
Net cash used in investing activities	(2,068)	(955)
Cash Flows from Financing Activities		
Increase in fixed deposits pledged	(607)	(8,840)
Placement into sinking fund for banking facilities	(381)	(539)
Net drawdown of banker's acceptances	15,980	5,723
Repayment of finance lease liabilities	(208)	(189)
Repayment of lease liabilities	(205)	(287)
Repayment of term loans	(79)	(76)
Proceeds from conversion of warrants to shares	-	*
Net cash generated from/ (used in) financing activities	14,500	(4,208)
Net increase/(decrease) in cash and cash equivalents	21,243	(41,668)
Effect of foreign exchange rate changes	63	36
Cash and cash equivalents as at beginning of financial year	28,028	73,184
Cash and cash equivalents as at end of financial period	49,333	31,552

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022⁽¹⁾

	Unaudited 3 months ended	
	30/6/2022 ⁽¹⁾ RM'000	30/6/2021 RM'000
Cash and cash equivalents at the end of financial period comprise:		
Cash and bank balances	52,973	20,811
Fixed deposits with financial institutions	25,745	25,140
	<hr/> 78,718	<hr/> 45,951
Less: Fixed deposits pledged	(25,745)	(24,239)
Less: Sinking fund account	(3,652)	(2,039)
Less: Bank overdraft	-	(3,401)
Add: Short term investments	12	15,280
	<hr/> 49,333	<hr/> 31,552

(1) 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 2022 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 Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2022 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 2022, except for the following:

a) Effective for annual period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- 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
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative information

b) 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2022.

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 of the Group 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.

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.

A8. Dividend

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

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting

The Group's operating segments are classified according to the nature of activities as follows: -

- | | |
|---|--|
| Investment holding | : Management, provision of financial services to companies within the Group, as well as holdings of investments in the shares of subsidiaries and other investments. |
| Engineering, procurement, construction, and commissioning ("EPCC") of solar energy solution | : Turnkey EPCC services in solar energy solution to customers in three categories: residential, commercial and industrial (roof-top projects) and large scale solar energy producers. |
| Operations and maintenance ("O&M") of solar energy system | : Warranty of between 2 to 5 years to customer for workmanship defects, performance monitoring and on-site support and repair to ensure optimal operation of solar energy system installation. |
| Sales of electricity through solar energy | : Sales of electricity generated through its self-constructed solar plant to electric utility company, Tenaga National Berhad under a 21-year renewable energy power purchase agreement and also to other third party. |
| Others | : Other segments comprise one off project management of electrical and telephone services. |

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting (Cont'd)

Unaudited Cumulative quarter 30/6/2022	Investment holding RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar energy RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	2	50,842	1,099	400	317	-	52,660
Inter-segment revenue	-	3,800	1,978	-	-	(5,778)	-
	2	54,642	3,077	400	317	(5,778)	52,660
Results							
Segment results	(171)	6,287	686	420	3	-	7,225
Interest income	-	119	-	-	-	-	119
Interest expenses	-	(651)	-	(28)	-	-	(679)
Depreciation and amortisation	-	(860)	-	(58)	-	-	(918)
Profit before tax	(171)	4,895	686	334	3	-	5,747

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting (Cont'd)

Unaudited Cumulative quarter 30/6/2021	Investment holding RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar energy RM'000	Others ⁽¹⁾ RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
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
Results							
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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

There were no material events subsequent to the end of the current financial quarter up to this interim financial report, save as below: -

- (i) On 5 August 2022, Vestech Energy Sdn. Bhd. a subsidiary of the Company, had issued 260,000 and 30,000 new ordinary shares at an issue price of RM1.00 each to the Company and a third party respectively. It resulted in the Company's investment being diluted from 100% to 90%.
- (ii) The Company's wholly-owned subsidiary, Solarvest Asset Management Sdn. Bhd. had on 8 August 2022 incorporated a wholly-owned subsidiary company with the name RE Suria Impiana Sdn. Bhd. (202201029088) ("RE") with a total issued share capital of RM10,000 comprising of 10,000 ordinary shares. The intended principal activity of RE is owning renewable energy assets with long term power purchase agreement.

A11. Changes in the composition of the Group

- (i) The Company's wholly-owned subsidiary, Solarvest EE Sdn. Bhd. had on 26 April 2022 incorporated a 70% owned subsidiary company with the name SLV ZI Sdn. Bhd. ("SLV ZI") with a total issued share capital of RM10,000 comprising of 10,000 ordinary shares. The intended principal activity of SLV ZI is EPCC and operations and maintenance services for energy efficiency project.
- (ii) The Company had on 25 May 2022 incorporated a new subsidiary company with the name Vestech Energy Sdn. Bhd. with a total issued share capital of RM10,000 comprising of 10,000 ordinary shares. The intended principal activity of Vestech Energy Sdn. Bhd. is EPCC services solar photovoltaics (PV) systems.

There were no material changes in the composition of the Group during the current financial quarter under review, save as disclosed in the above.

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: -

	Unaudited RM'000
Secured	
Bank guarantees for bid bond, performance guarantee and warranty bond provided to statutory body/customers/third parties	97,340

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A13. Corporate Guarantees

	Unaudited RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	464,789

A14. Capital commitments

The amount of capital commitments as at end of current quarter are as follows:

	Unaudited RM'000
<i>Plant and equipment</i>	
Contracted but not provided for	59,040

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 31 March 2022 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
- Revenue from operations & maintenance services	14

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 quarter under review.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the Group's Performance

	Individual Quarter		Variance	
	30/6/2022 ("Q1/FY23") RM'000	30/6/2021 ("Q1/FY22") RM'000	RM'000	(%)
Revenue	52,660	22,750	29,910	131.47
Profit before tax	5,747	577	5,170	896.01
Profit after tax	4,333	174	4,159	2390.23

Comparison between Q1/FY23 and Q1/FY22

For the quarter under review, the Group's revenue increased by RM29.91 million or 131.47% to RM52.66 million from RM22.75 million compared to the preceding year's quarter ended 30 June 2021. Profit before tax increased by RM5.17 million or 896.01% compared to Q1/FY22. The increase in revenue and profit before tax was mainly driven by contributions from construction activities as Malaysia has entered the endemic stage as compared to preceding year.

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B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Comparison with immediate preceding quarter's results

	Individual Quarter		Variance	
	30/6/2022 RM'000	31/03/2022 RM'000	RM'000	(%)
Revenue	52,660	77,338	-24,678	-31.91
Profit before tax	5,747	5,798	-51	-0.88
Profit after tax	4,333	3,761	572	15.21

The Group's revenue for the current financial quarter ended 30 June 2022 decreased by RM24.68 million or 31.91% to RM52.66 million compared to RM77.34 million in the preceding quarter ended 31 March 2022. The decrease in revenue was mainly due to lower contributions from large-scale solar projects.

Profit before tax was slightly higher in the current quarter as compared to the immediate preceding quarter mainly due to better profit margin contributions from the completion of design and engineering works for certain large-scale solar projects.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B3. Commentary on prospects

The outlook for the solar photovoltaic ("PV") industry in Malaysia remains optimistic given the launch of the Malaysia Renewable Energy Roadmap (MyRER) for 2022 to 2035 by the Ministry of Energy and Natural Resources. The MyPER aims to bolster the nation's decarbonisation effort and commitment to the Paris Agreement. Renewable energy is targeted to contribute 31% to the national capacity mix by 2025, with solar energy slated to become the dominant up to 80% of the renewable energy source in the system.

The Group has launched its 5-year strategic roadmap to transform it from a pure-play PV company into a clean energy specialist with holistic offerings of renewable energy and low-carbon solutions ("Strategic Roadmap"). Under the Strategic Roadmap, Solarvest will establish footholds across the clean energy value chain via various strategies such as organic growth, mergers and acquisitions, and other collaborations and partnerships. Meanwhile, the Group will remain focus on its geographical expansion plan venturing into the Philippines, Taiwan, Vietnam, and Indonesia for renewable asset (RE) development and ownership.

The Group received notification letters dated 8 August 2022 from the Energy Commission to inform that the Scheduled Commercial Operation Date ("SCOD") for all its 3 Large Scale Solar ("LSS") photovoltaic plants under the fourth cycle LSS programme ("LSS4 Projects") be extended until 31 December 2023 and the effective period of the relevant power purchase agreements for the LSS4 Projects be extended from 21 years to 25 years ("Extensions"). The Extensions will provide relief to meet the SCOD and is expected to contribute positively to the future earnings of the Group.

The Group anticipates that the solar industry is still facing major procurement disruptions caused by high commodities prices and supply chain bottlenecks that led to price volatility in solar-related materials. The disruptions continue to pose a potential risk of project execution and installation delays in the coming quarters.

As at 30 June 2022, the unbilled order book stood at RM727 million, which will be progressively recognised in the financial years ending 31 March 2023 and 2024. The Group remains upbeat on the industry outlook, underpinned by a robust job pipeline in private large-scale power plants, residential, commercial & industrial projects.

Barring any unforeseen circumstances, the Board is of the view that the Group's overall performance would remain satisfactory for the financial year ending 31 March 2023.

B4. Profit Forecast

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

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B5. Taxation

	Individual Quarter Unaudited 3 months ended		Cumulative Quarter Unaudited 3 months ended	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
Income tax				
- Current	1,423	408	1,423	408
Deferred tax				
- Current	(9)	(5)	(9)	(5)
	<u>1,414</u>	<u>403</u>	<u>1,414</u>	<u>403</u>
Effective tax rates	24.60%	69.84%	24.60%	69.84%

The effective tax rate of the Group for the current quarter under review was slightly higher than statutory tax rate of 24% mainly due to the non-deductibility of certain expenses for tax purposes.

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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 2022 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	3,000	100.00	Within 24 months	Within 24 months from 26 May 2021
(ii) Capital expenditure	4,000	4,000	100.00	Within 18 months	Within 24 months from 26 May 2021
(iii) Working capital	19,190	19,190	100.00	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>34,590</u>	<u>100.00</u>		

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

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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")

(a) Private Placement for the financial year ended 31 March 2021

The actual proceeds of RM38.72 million raised from the first tranche of the Private Placement and status of utilisation as at 30 June 2022 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 RM'000</u>	<u>Actual utilisation RM'000</u>	<u>Percentage utilisation %</u>
(i) Investment in solar photovoltaic projects	Within 30 months	30,500 ⁽¹⁾	22,266	73.00
(ii) Working capital ⁽²⁾	Within 24 months	8,030 ⁽¹⁾	8,030	100.00
(iii) Estimated expenses for the Private Placement	Within 1 month	190 ⁽¹⁾	190	100.00
		<u>38,720</u>	<u>30,486</u>	<u>78.73</u>

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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") (cont'd)

(a) Private Placement for the financial year ended 31 March 2022

The actual proceeds of RM34.80 million raised from the second and final tranche of the Private Placement on 31 July 2021 and 29 October 2021 and status of utilisation as at 30 June 2022 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	27,412 ⁽¹⁾	-	0.00
(ii) Working capital ⁽²⁾	Within 24 months	7,217 ⁽¹⁾	7,217	100.00
(iii) Estimated expenses for the Private Placement	Within 1 month	171 ⁽¹⁾	171	100.00
		<u>34,800</u>	<u>7,388</u>	<u>21.22</u>

⁽¹⁾ Allocated proportionately based on the gross proceeds raised as disclosed in the Private Placement announcements 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.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Status of corporate proposals and utilisation of proceeds (cont'd)

3) Status of Corporate Proposals

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

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B7. Borrowings

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

	Unaudited 3 months ended	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
<u>Secured</u>		
Current liabilities		
Lease liabilities	767	650
Bank overdraft	-	3,401
Term loans	315	267
Banker's acceptance	19,878	5,723
	<u>20,960</u>	<u>10,041</u>
Non-current liabilities		
Lease liabilities	527	667
Term loans	2,548	2,909
	<u>3,075</u>	<u>3,576</u>
<u>Non-secured</u>		
Current liabilities		
Lease liabilities	1,015	960
Non-current liabilities		
Lease liabilities	8,198	5,842
Total borrowings	<u>33,248</u>	<u>20,419</u>

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

B8. Material Litigation

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

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B9. Dividend Proposed

There was 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 issue during the financial period.

	Individual Quarter Unaudited 3 months ended		Cumulative Quarter Unaudited 3 months ended	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	4,281	152	4,281	152
Weighted average number of ordinary shares in issue ('000)	667,554	633,954	667,554	633,954
Basic EPS (sen)	0.64	0.02	0.64	0.02

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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 into ordinary shares.

	Individual Quarter Unaudited 3 months ended		Cumulative Quarter Unaudited 3 months ended	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	4,281	152	4,281	152
Weighted average number of ordinary shares in issue ('000)	667,554	633,954	667,554	633,954
Effect of dilution ('000)	*	46,870	*	46,870
Adjusted weighted average number of shares ('000)	667,554	680,824	667,554	680,824
Diluted EPS (sen)	0.64	0.02	0.64	0.02

* The potential conversion of warrants is anti-dilutive as their exercise prices are higher than the average market price of the ordinary shares during the current quarter under review. Accordingly, the exercise of warrants has been ignored in the calculation of dilutive earnings per share.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B11. Profit Before Tax

	Individual Quarter Unaudited 3 months ended		Cumulative Quarter Unaudited 3 months ended	
	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000	<u>30/6/2022</u> RM'000	<u>30/6/2021</u> RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	34	34	34	34
Auditors' remuneration				
- current year	44	42	44	42
Bad debts recovered	-	(10)	-	(10)
Depreciation of property, plant and equipment	873	729	873	729
Depreciation of investment properties				
- freehold building	11	13	11	13
Gain on disposal of property, plant and equipment	(71)	(1)	(71)	(1)
Interest expenses	679	476	679	476
Interest income	(119)	(167)	(119)	(167)
Realised loss on foreign exchange	732	28	732	28
Rental expenses	125	88	125	88
Rental income	(38)	(64)	(38)	(64)
Unrealised loss on foreign exchange	586	121	586	121

B12. Comparative Figures

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

BY ORDER OF THE BOARD

29 August 2022