



**INTERIM FINANCIAL REPORT
THIRD QUARTER ENDED 31 DECEMBER 2023**

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 Third Quarter Ended 31 December 2023



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾

	Unaudited As At 31/12/2023 RM'000	Audited As At 31/3/2023 RM'000
	Note	
Non-current assets		
Property, plant and equipment	204,466	168,556
Investment properties	2,353	2,387
Investment in associates	1,063	624
Intangible assets	-	60
Other investments	350	-
Deferred tax assets	1,182	1,138
Trade receivables	1,112	1,456
	<u>210,526</u>	<u>174,221</u>
Current assets		
Inventories	14,318	20,992
Trade receivables	101,738	86,268
Other receivables, deposits and prepayments	17,794	23,515
Contract cost	372	313
Contract assets	86,585	94,084
Current tax assets	-	870
Short term investments	30,014	12
Fixed deposits with financial institutions	33,128	31,167
Cash and bank balances	41,589	41,391
	<u>325,538</u>	<u>298,612</u>
Non-current asset held for sale	-	1,442
	<u>325,538</u>	<u>300,054</u>
Total assets	<u>536,064</u>	<u>474,275</u>
Equity		
Share capital	133,710	133,062
Reorganisation reserve	(25,262)	(25,262)
Reserves	3,135	733
Retained earnings	109,401	84,756
	<u>220,984</u>	<u>193,289</u>
Non-controlling interests	3,251	4,144
Total equity	<u>224,235</u>	<u>197,433</u>

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		Unaudited As At 31/12/2023 RM'000	Audited As At 31/3/2023 RM'000
Non-current liabilities	Note		
Borrowings	B7	164,922	87,522
Lease liabilities		16,755	17,692
Redeemable preference shares		3,052	6,672
Deferred tax liabilities		-	1
		<u>184,729</u>	<u>111,887</u>
Current liabilities			
Trade payables		65,465	104,642
Other payables and accruals		4,673	3,571
Provisions		904	1
Borrowings	B7	16,804	17,348
Lease liabilities		2,140	1,940
Current tax liabilities		1,881	-
Contract liabilities		35,233	37,453
		<u>127,100</u>	<u>164,955</u>
Total liabilities		<u>311,829</u>	<u>276,842</u>
Total equity and liabilities		<u>536,064</u>	<u>474,275</u>
Number of ordinary shares in issue ('000)		668,563	667,554
Net assets per Share (RM)		0.34	0.30

(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 2023 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		Unaudited <u>31/12/2023⁽¹⁾</u> RM'000	Unaudited <u>31/12/2022</u> RM'000	Unaudited <u>31/12/2023⁽¹⁾</u> RM'000	Unaudited <u>31/12/2022</u> RM'000
Revenue		112,401	101,505	395,693	252,316
Cost of sales		<u>(84,470)</u>	<u>(85,178)</u>	<u>(326,650)</u>	<u>(207,547)</u>
Gross profit		27,931	16,327	69,043	44,769
Other income		1,349	503	1,879	1,238
Administrative expenses		(10,793)	(8,160)	(29,411)	(21,763)
Sales and distribution expenses		<u>(1,258)</u>	<u>(539)</u>	<u>(1,962)</u>	<u>(1,343)</u>
Profit from operations		17,229	8,130	39,549	22,901
Finance costs		(2,032)	(1,073)	(5,225)	(2,821)
Share of results of associates		<u>(46)</u>	<u>(33)</u>	<u>38</u>	<u>34</u>
Profit before taxation		15,151	7,024	34,362	20,114
Taxation	B5	<u>(4,073)</u>	<u>(1,685)</u>	<u>(9,537)</u>	<u>(5,350)</u>
Profit for the financial period		11,078	5,339	24,825	14,764

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		Unaudited <u>31/12/2023⁽¹⁾</u> RM'000	Unaudited <u>31/12/2022</u> RM'000	Unaudited <u>31/12/2023⁽¹⁾</u> RM'000	Unaudited <u>31/12/2022</u> RM'000
Other comprehensive income :					
Foreign currency translation differences		(101)	(150)	29	(163)
Cash flow hedge		-	(1,471)	-	(683)
Total comprehensive income for the financial period		<u>10,977</u>	<u>3,718</u>	<u>24,854</u>	<u>13,918</u>
Profit for the financial period attributable to:					
Owners of the Company		10,650	5,203	24,532	14,498
Non-controlling interest		<u>428</u>	<u>136</u>	<u>293</u>	<u>266</u>
		<u>11,078</u>	<u>5,339</u>	<u>24,825</u>	<u>14,764</u>

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		Unaudited 31/12/2023 ⁽¹⁾ RM'000	Unaudited 31/12/2022 RM'000	Unaudited 31/12/2023 ⁽¹⁾ RM'000	Unaudited 31/12/2022 RM'000
Total comprehensive income for the financial period attributable to:					
Owners of the Company		10,552	3,655	24,477	13,739
Non-controlling interest		<u>425</u>	<u>63</u>	<u>377</u>	<u>179</u>
		<u>10,977</u>	<u>3,718</u>	<u>24,854</u>	<u>13,918</u>
Earnings per Share attributable to Owners of the Company (sen)					
- Basic ⁽²⁾	B10	1.59	0.78	3.67	2.17
- Diluted ⁽³⁾	B10	1.47	0.78	3.44	2.16

(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 2023 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 employees' share options and/or warrants issued are fully exercised into ordinary shares.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	-----Non-distributable-----				Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Employee share option 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 2023	133,062	(25,262)	836	(103)	84,756	193,289	4,144	197,433
Profit for the financial period	-	-	-	-	24,532	24,532	293	24,825
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	(55)	-	(55)	84	29
Total comprehensive income for the financial period	-	-	-	(55)	24,532	24,477	377	24,854
Balance carried forward	133,062	(25,262)	836	(158)	109,288	217,766	4,521	222,287

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	-----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	Employee share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000				
Balance brought forward	133,062	(25,262)	836	(158)	109,288	217,766	4,521	222,287	
Contributions by and distributions to owners of the Company:									
- Disposal of a subsidiary	-	-	-	32	113	145	(2,122)	(1,977)	
- Issuance of shares	4	-	-	-	-	4	852	856	
- Employees' share options exercised	644	-	-	-	-	644	-	644	
- Employees' share options expenses	-	-	2,425	-	-	2,425	-	2,425	
Total transactions with owners	648	-	2,425	32	113	3,218	(1,270)	1,948	
Balance as at 31 December 2023	133,710	(25,262)	3,261	(126)	109,401	220,984	3,251	224,235	

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 2023 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 THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

| -----Non-distributable----- | Distributable

	<u>Share capital</u> RM'000	<u>Reorganisation reserve</u> RM'000	<u>Employee share option reserve</u> RM'000	<u>Cash flow hedge reserve</u> RM'000	<u>Foreign currency translation reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Equity attributable to Owners of the Company</u> RM'000	<u>Non-controlling interest</u> RM'000	<u>Total equity</u> RM'000
Balance brought forward	133,062	(25,262)	-	(683)	(77)	74,593	186,633	2,926	189,559
Contributions by and distributions to owners of the Company:									
- Issuance of shares	-	-	-	-	-	-	-	881	881
- Employees' share options expenses	-	-	481	-	-	-	481	-	481
Total transactions with owners	-	-	481	-	-	-	481	881	1,362
Balance as at 31 December 2022	133,062	(25,262)	481	(683)	(77)	79,593	187,114	3,807	190,921

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	9 months ended	
	31/12/2023 ⁽¹⁾	31/12/2022
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	34,362	20,114
Adjustments for:		
Amortisation of intangible assets	60	101
Depreciation of property, plant and equipment	4,332	3,058
Depreciation of investment properties	33	33
Employees' share options expenses	2,425	481
Finance costs	5,225	2,821
Finance income	(968)	(411)
Gain on disposal of property, plant and equipment	(143)	(71)
Gain on disposal of a subsidiary	(556)	-
Provision/(Reversal) of defects liabilities	904	(69)
Share of net profits of equity accounted associates	(38)	(34)
Unrealised gain on foreign exchange	(55)	(22)
Other adjustments	10	17
Operating profit before working capital changes	45,591	26,018
Changes in working capital		
Decrease/(Increase) in inventories	6,674	(6,766)
Increase in trade and other receivables, deposits and prepayments	(9,404)	(3,417)
Decrease/(Increase) in contract assets	7,440	(43,057)
(Decrease)/Increase in trade and other payables, accruals and provision	(37,033)	46,277
(Decrease)/Increase in contract liabilities	(2,221)	15,176
Cash generated from operations	11,047	34,231
Finance costs paid	(4,211)	(2,366)
Interest income received	968	28
Tax paid	(6,832)	(3,103)
Net cash generated from operating activities	972	28,790

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	9 months ended	
	31/12/2023 ⁽¹⁾	31/12/2022
	RM'000	RM'000
Cash Flows from Investing Activities		
Investment in joint venture	(350)	-
Investment in associate	(400)	-
Purchase of property, plant & equipment	(33,957)	(95,842)
Disposal of a subsidiary	(1,421)	-
Proceeds from disposal of property plant & equipment	1,580	71
Net cash used in investing activities	<u>(34,548)</u>	<u>(95,771)</u>
Cash Flows from Financing Activities		
Placement into fixed deposits pledged	(4,463)	(3,209)
Withdrawal from/(placement into) sinking fund for banking facilities	2,625	(1,499)
(Repayments)/Drawdown of short term borrowings	(10,106)	13,515
Drawdown of term loan financing	30,531	51,626
Repayment of lease liabilities	(2,093)	(1,493)
Redemption of preference shares	(4,125)	-
Drawdown from Islamic Medium Term Notes	50,000	-
Subscription of share in subsidiaries by non-controlling interest	852	881
Proceed from issuance of shares	648	-
Net cash generated from financing activities	<u>63,869</u>	<u>59,821</u>
Net increase/(decrease) in cash and cash equivalents	30,293	(7,160)
Effect of foreign exchange rate changes	29	(162)
Cash and cash equivalents as at beginning of financial year	36,794	28,027
Cash and cash equivalents as at end of financial period	<u>67,116</u>	<u>20,705</u>

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	9 months ended	
	31/12/2023 ⁽¹⁾	31/12/2022
	RM'000	RM'000
Cash and cash equivalents at the end of financial period comprise:		
Cash and bank balances	41,589	42,464
Fixed deposits with financial institutions	33,128	28,629
Add: Short term investments	30,014	12
	<hr/> 104,731	<hr/> 71,105
Less: Fixed deposits pledged	(33,128)	(28,629)
Less: Sinking fund account	(27)	(4,771)
Less: Bank borrowings	-	(17,000)
Less: Restricted cash at bank	(4,460)	-
	<hr/> <hr/> 67,116	<hr/> <hr/> 20,705

- (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 2023 and the accompanying explanatory notes are an integral part of this interim financial report.

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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”).

During the financial year ended 31 March 2023, the Group has changed the classification of non-current trade receivables, trade payables and contract liabilities as the Group’s normal operating cycle is clearly identified and the Group expects to realise the trade receivables and to settle trade payables and contract liabilities in its normal operating cycle.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2023 and the accompanying explanatory notes in this interim financial report.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2023, except for the adoption of the following amendments to Malaysia Financial Reporting Standards (“MFRS”):

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Initial application of MFRS 27 and MFRS 9 Comparative Information

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

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A2. Significant accounting policies (Cont'd)

Standard and Amendments in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new MFRS and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:

a) **Effective for annual period beginning on or after 1 January 2024**

- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Non-current liabilities with Covenants
- Amendments to MFRS 16 Lease Liability in a Sales and Leaseback
- Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

b) **Effective for annual period beginning on or after 1 January 2025**

- Amendments to MFRS 121 Lack of Exchangeability

c) **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 2023.

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.

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A7. Debt and equity securities

During the quarter under review, 348,500 new ordinary shares were issued under the Company Employees' Share Option Scheme at exercise price ranging from RM0.58 to RM0.66 per ordinary share.

Save for the above, there were no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

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

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 Nasional Berhad under 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 31/12/2023	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	-	381,086	5,221	5,921	3,465	-	395,693
Inter-segment revenue	-	53,053	2,098	-	-	(55,151)	-
	-	434,139	7,319	5,921	3,465	(55,151)	395,693
Results							
Segment results	(1,737)	37,861	1,637	3,683	1,600	-	43,044
Interest income	-	968	-	-	-	-	968
Interest expenses	-	(3,783)	(2)	(1,44)	-	-	(5,225)
Depreciation and amortisation	-	(3,896)	(107)	(442)	-	-	(4,425)
Profit before tax	(1,737)	31,150	1,528	1,821	1,600	-	34,362

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A9. Segmental Reporting (Cont'd)

Unaudited Cumulative quarter 31/12/2022	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 ⁽¹⁾ RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	2	246,975	3,359	1,192	788	-	252,316
Inter-segment revenue	-	39,790	1,487	-	-	(41,277)	-
	2	286,765	4,846	1,192	788	(41,277)	252,316
Results							
Segment results	(933)	24,249	1,348	1,076	36	-	25,716
Interest income	-	411	-	-	-	-	411
Interest expenses	-	(2,737)	-	(84)	-	-	(2,821)
Depreciation and amortisation	-	(2,992)	-	(200)	-	-	(3,192)
Profit before tax	(933)	18,931	1,348	792	36	-	20,114

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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: -

- a) The Company's wholly-owned subsidiary, Atlantic Blue Sdn Bhd ("ABSB") had on 24 January 2024 incorporated a new subsidiary company Setia Kawan Energy Sdn Bhd ("SETIA") with a total issued share capital of RM100 comprising of 100 ordinary shares. The intended principal activity of SETIA is provision of EPCC for solar photovoltaic systems and investment in solar plant.
- b) On 31 January 2024, Blazing Solar Sdn Bhd, a wholly-owned subsidiary of Solarvest Energy Sdn Bhd had incorporated a new subsidiary company Selarong Pertama Energy Sdn Bhd ("SELARONG") with a total issued share capital of RM100 comprising of 100 ordinary shares. The intended principal activity of SELARONG is provision of EPCC for solar photovoltaic systems and investment in solar plant.

A11. Changes in the composition of the Group

- a) The Company's wholly-owned subsidiary, Solarvest Global Assets Pte. Ltd. had on 9 October 2023 incorporated a new subsidiary company Sunny Solar Pte Ltd ("SUNNY") with a total issued share capital of SGD 100 comprising of 100 ordinary shares. The intended principal activity of SUNNY is investment holding company.
- b) On 8 December 2023, the Company's wholly-owned subsidiary, ABSB had incorporated a new subsidiary company Atlantic Blue CGPP Sdn Bhd ("ABCGPP") with a total issued share capital of RM100 comprising of 100 ordinary shares. The intended principal activity of ABCGPP is provision of EPCC for solar photovoltaic systems and investment in solar plant.
- c) On 9 November 2023 and 11 December 2023, Solarvest Asset Management Sdn. Bhd. ("SAM"), a wholly-owned subsidiary of the Company had acquired 2 companies namely Powerful Marger Sdn Bhd ("POWERFUL") and CS Organic Farm Sdn. Bhd. ("CS") with 100,000 and 50,000 ordinary shares of RM1.00 each for a total cash consideration of RM864,000 and RM 289,500. Upon completion of the acquisition, POWERFUL and CS became a wholly owned subsidiary of SAM. The principal activity for both companies is operation of generation facilities that produce electric energy.

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

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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: -

Secured	RM'000
Bank guarantees for bid bond, performance guarantee and warranty bond provided to statutory body/customers/third parties	53,472

A13. Corporate Guarantees

	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	171,635

A14. Capital commitments

The Group does not have any material capital commitments during the current financial quarter under review.

A15. Significant Related Party Transactions

Our Group's transactions with companies in which our directors or major shareholders have an interest during the financial period ended 31 December 2023 were as follows: -.

	RM'000
Transaction with companies in which the Directors or major shareholders have financial interest:	
- Revenue from operations & maintenance services	214
- Revenue from EPCC solar energy solutions	2,153

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

B1. Review of the Group's Performance

	Individual Quarter		Variance RM'000	(%)
	31/12/2023 ("Q3/FY24") RM'000	31/12/2022 ("Q3/FY23") RM'000		
Revenue	112,401	101,505	10,896	10.73
Profit before tax	15,151	7,024	8,127	115.70
Profit after tax	11,078	5,339	5,739	107.49

Comparison between Q3/FY24 and Q3/FY23

For the quarter under review, the Group's revenue increased by RM10.90 million or 10.73% to RM112.40 million from RM101.51 million compared to the preceding year's quarter ended 31 December 2022. Profit before tax increased by RM8.13 million or 115.70% compared to Q3/FY23. The significant improvement in profit before tax on the back of steady revenue growth was mainly led by operational savings realized from certain completed LSS4 projects and contribution from the solar power project development business segment.

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

B1. Review of the Group's Performance

	Cumulative Quarter		Variance RM'000	(%)
	31/12/2023 ("YTD FY24") RM'000	31/12/2022 ("YTD FY23") RM'000		
Revenue	395,693	252,316	143,377	56.82
Profit before tax	34,362	20,114	14,248	70.84
Profit after tax	24,825	14,765	10,061	68.15

Comparison between YTD FY24 and YTD FY23

For the financial period under review, the Group's revenue increased by RM143.38 million or 56.82% to RM395.69 million from RM252.32 million compared to the preceding year's quarter ended 31 December 2022. Profit before tax increased by RM14.25 million or 70.84% compared to the YTD FY23. The increase in revenue and profit before tax was mainly contributed by the higher revenue contribution from higher progress of LSS4 projects as compared to the preceding year.

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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

B2. Comparison with immediate preceding quarter's results

	Individual Quarter		Variance	
	31/12/2023 RM'000	30/09/2023 RM'000	RM'000	(%)
Revenue	112,401	139,903	(27,502)	-19.66
Profit before tax	15,151	9,791	5,360	54.74
Profit after tax	11,078	7,163	3,915	54.66

The Group's revenue for the current financial quarter ended 31 December 2023 decreased by RM27.50 million or -19.66% to RM112.40 million compared to RM139.90 million in the preceding quarter ended 30 September 2023. The marginal decrease in revenue was due to the lower revenue contribution of LSS4 projects. The decline in revenue amid lower revenue contribution from LSS4 projects, which most of the projects have entered into an advanced stage of completion as compared to the preceding quarter. However, the profit before tax was higher mainly due to contribution from solar power project development business segment.

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B3. Commentary on prospects

The outlook for the renewable energy ("RE") industry in Malaysia remains optimistic underpinned by the Government's aggressive effort to increase its RE capacity to 70% of Malaysia's total energy mix, with an aspiration to achieve net zero by 2050. Further, the power sector is expected to increase its RE capacity to 31% by 2025 and 40% in 2035, with solar energy slated to become the dominant RE source in the system.

For the quarter under review, all three Large-Scale Solar (LSS4) plants owned by the Group with installed capacity of 67.3 megawatts peak ("MWp") are fully operational, enabling the Group to earn recurring earnings from the sales of solar energy for the next 25 years. Further, seven other LSS4 projects where the Group is the appointed engineering, procurement, construction and commission ("EPCC") contractor have been commissioned by the end of 2023.

Recently, the Malaysia Government announced a cumulative 2.8 gigawatts (GW) of new RE quotas comprising 2.0 GW allocation for the fifth LSS programme, 0.4 GW quota under the Net Energy Metering (NEM) mechanism and 0.4 GW initiative through the New Enhanced Dispatch Arrangement (NEDA) mechanism for non-solar energy, all of which shall augur well for the Group as being both the RE developer and EPCC contractor.

As at 31 December 2023, the unbilled order book stood at RM 242 million, which will be progressively recognised in the financial years ending 31 March 2024 and 2025. The Group will continue to grow its order book, capitalising on the imminent awards of up to 800 MW CGPP projects, progressive roll-out of the 10 pilot catalyst projects under the National Energy Transition Roadmap (NETR), among others and remains upbeat on the industry outlook, underpinned by a robust job pipeline in private large-scale power plants, residential, commercial & industrial projects. Furthermore, our Group has successfully obtained a cumulative capacity of approximately 116.0 MWp through Powervest. It is expected that roughly 80% of the Powervest capacity secured under multiple corporate power purchase agreements (PPAs) can contribute up to RM41 million annual recurrent revenue to the Group upon full completion. Powervest, through asset development and ownership will enhance project profit, and build recurring income streams, allowing a better long-term earnings visibility.

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

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B4. Profit Forecast

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

B5. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	<u>31/12/2023</u> RM'000	<u>31/12/2022</u> RM'000	<u>31/12/2023</u> RM'000	<u>31/12/2022</u> RM'000
Income tax				
- Current	4,087	1,611	9,582	5,296
- Under/(over) provision in prior year	1	72	1	72
	<u>4,088</u>	<u>1,683</u>		<u>5,368</u>
Deferred tax				
- Current	(15)	2	(46)	(18)
	<u>4,073</u>	<u>1,685</u>	<u>9,537</u>	<u>5,350</u>
Effective tax rates	26.88%	23.98%	27.75%	26.60%

The effective tax rate of the Group for the current and cumulative quarter was higher than the statutory tax rate of 24% mainly due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

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

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

B7. Borrowings

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

	As At 31/12/2023 RM'000	As At 31/3/2023 RM'000
Non-current liabilities		
Term loans	113,932	87,522
IMTN	50,990	-
	<u>164,922</u>	<u>87,522</u>
Current liabilities		
Term loans	9,886	324
Invoice financing	6,918	15,770
Banker's acceptance	-	1,254
	<u>16,804</u>	<u>17,348</u>
Total borrowings	<u>181,726</u>	<u>104,870</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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B9. Dividend

There was no dividend declared/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 3 months ended		Cumulative Quarter 9 months ended	
	<u>31/12/2023</u> RM'000	<u>31/12/2022</u> RM'000	<u>31/12/2023</u> RM'000	<u>31/12/2022</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	10,650	5,203	24,532	14,498
Weighted average number of ordinary shares in issue ('000)	668,433	667,554	667,991	667,554
Basic EPS (sen)	1.59	0.78	3.67	2.17

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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 employees’ share options and/or warrants issued are fully exercised into ordinary shares.

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	<u>31/12/2023</u> RM’000	<u>31/12/2022</u> RM’000	<u>31/12/2023</u> RM’000	<u>31/12/2022</u> RM’000
Profit after tax attributable to owners of the Company (RM’000)	10,650	5,203	24,532	14,498
Weighted average number of ordinary shares in issue (’000)	668,433	667,554	667,991	667,554
Effect of warrants (’000)	33,969	*	24,346	*
Effect of employees’ share options (’000)	23,133	2,843	20,208	2,805
Adjusted weighted average number of shares (’000)	725,535	670,397	712,545	670,359
Diluted EPS (sen)	1.47	0.78	3.44	2.16

* The potential exercise 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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B11. Profit Before Tax

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	-	34	60	101
Auditors' remuneration				
- current year	45	54	193	148
Depreciation of property, plant and equipment	2,043	1,135	4,332	3,058
Depreciation of investment properties				
- freehold building	11	11	33	33
Gain on disposal of property, plant and equipment	(143)	-	(143)	(71)
Gain on disposal of a subsidiary	(556)		(556)	
Interest expenses	2,032	1,073	5,225	2,821
Interest income	(539)	(147)	(968)	(411)
Provision/(Reversal) of defect liabilities	574	-	904	(69)
Realised loss on foreign exchange	231	595	566	2,030
Rental expenses	283	176	695	406
Rental income	(37)	(38)	(113)	(115)
Unrealised loss/(gain) on foreign exchange	416	(468)	(55)	(22)

B12. Comparative Figures

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

BY ORDER OF THE BOARD

28 February 2024