

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.09.2023 RM'000	Preceding Year Quarter 3 Months 30.09.2022 RM'000	Current Year To-Date 6 Months 30.09.2023 RM'000	Preceding Year To-Date 6 Months 30.09.2022 RM'000
Revenue	40,579	32,586	65,417	56,397
Cost of sales	(33,029)	(26,671)	(52,923)	(46,213)
Gross profit	7,550	5,915	12,494	10,184
Other income	290	508	693	1,148
Net reversal of impairment losses / (impairment losses) on financial assets	114	(600)	1,376	(330)
Administrative and distribution expenses	(4,060)	(3,103)	(8,236)	(6,606)
Other operating expenses	(51)	(4)	(70)	(7)
Profit from operations	3,843	2,716	6,257	4,389
Finance costs	(269)	(707)	(562)	(1,022)
Profit before taxation	3,574	2,009	5,695	3,367
Taxation	(1,151)	(850)	(1,997)	(996)
Profit for the financial period	2,423	1,159	3,698	2,371
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects:</i>				
Foreign currency translation difference	(46)	80	58	131
Total comprehensive income for the financial period	2,377	1,239	3,756	2,502
Profit for the financial period attributable to:				
Owners of the Company	2,423	1,159	3,698	2,371
Non-controlling interests	-	-	-	-
	2,423	1,159	3,698	2,371
Total comprehensive income for the financial period attributable to:				
Owners of the Company	2,377	1,239	3,756	2,502
Non-controlling interests	-	-	-	-
	2,377	1,239	3,756	2,502
Earnings per share attributable to owners of the Company (sen) ⁽²⁾ :				
Basic / Diluted ⁽³⁾	0.42	0.20	0.64	0.41

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on the Company's weighted average number of ordinary shares during the current financial quarter / current financial year to-date.
- (3) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities as at 30 September 2023.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾**

	Unaudited As at 30.09.2023 RM'000	Audited As at 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,360	31,516
Right-of-use assets	844	930
Intangible assets	42	42
Goodwill	485	485
Investment property	1,878	1,897
Deferred tax assets	41	41
	34,650	34,911
Current assets		
Inventories	19,571	14,032
Trade and other receivables	48,570	52,753
Current tax assets	1,350	3,027
Short term funds	6,315	2,216
Deposits, cash and bank balances	43,710	47,521
	119,516	119,549
TOTAL ASSETS	154,166	154,460
EQUITY AND LIABILITIES		
Equity		
Share capital	36,348	36,348
Retained earnings	40,132	39,917
Foreign exchange translation reserve	162	104
	76,642	76,369
Non-controlling interests	-	-
TOTAL EQUITY	76,642	76,369
Non-current liabilities		
Lease liabilities	474	493
Bank borrowings	7,731	7,969
	8,205	8,462
Current liabilities		
Trade and other payables	61,506	50,389
Bank borrowings	3,820	18,704
Lease liabilities	509	536
Dividend payable	3,483	-
Current tax liabilities	1	-
	69,319	69,629
TOTAL LIABILITIES	77,524	78,091
TOTAL EQUITY AND LIABILITIES	154,166	154,460
Net assets per share (RM) ⁽²⁾	0.13	0.13

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on the Company's issued share capital as at the end of the financial period.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾**

	Attributable to owners of the Company				Non-controlling interests RM'000	Total RM'000
	Non-distributable		Distributable			
	Share capital RM'000	Foreign exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 April 2023	36,348	104	39,917	76,369	-	76,369
Profit for the financial period	-	-	3,698	3,698	-	3,698
Other comprehensive income for the financial period	-	58	-	58	-	58
Total comprehensive income	-	58	3,698	3,756	-	3,756
Dividend	-	-	(3,483)	(3,483)	-	(3,483)
Balance at 30 September 2023	36,348	162	40,132	76,642	-	76,642

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾ (Cont'd)

	Attributable to owners of the Company		Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
	Non-distributable	Distributable				
	Share capital RM'000	Foreign exchange translation reserve RM'000				
At 1 April 2022	36,348	65	33,104	69,517	-	69,517
Profit for the financial period	-	-	6,813	6,813	-	6,813
Other comprehensive income for the financial period	-	39	-	39	-	39
Total comprehensive income	-	39	6,813	6,852	-	6,852
Balance at 31 March 2023	36,348	104	39,917	76,369	-	76,369

Note:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾**

	Cumulative Quarter	
	Current Year To-Date 6 Months 30.09.2023 RM'000	Preceding Year To-Date 6 Months 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,695	3,367
Adjustments for:		
Non-cash items	(240)	1,717
Non-operating items	(167)	(46)
Interest expenses	562	1,022
Interest income	(338)	(81)
Investment income	(99)	(145)
Operating profit before working capital changes	5,413	5,834
Changes in working capital:		
Inventories	(5,539)	(21,771)
Trade and other receivables	5,680	(6,806)
Trade and other payables	10,875	28,644
Cash generated from operations	16,429	5,901
Tax paid	(384)	(125)
Tax refunded	65	-
Net cash generated from operating activities	16,110	5,776
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	338	81
Investment income received	99	145
Net placement of fixed deposits pledged with licensed bank	(167)	(12,578)
Purchases of property, plant and equipment	(688)	(1,786)
Purchase of intangible assets	-	(426)
Proceeds from disposal of property, plant and equipment	214	46
Net cash used in investing activities	(204)	(14,518)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(539)	(986)
Advance from ultimate holding company	-	2,500
Payment for lease liabilities	(354)	(502)
Net repayments of bank borrowings	(15,122)	(1,953)
Net cash used in financing activities	(16,015)	(941)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(109)	(9,683)
Cash and cash equivalents at beginning of the financial period	32,953	38,057
Net exchange differences	230	344
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	33,074	28,718

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (Cont'd)**

	Cumulative Quarter	
	Current Year To-Date 6 Months 30.09.2023 RM'000	Preceding Year To-Date 6 Months 30.09.2022 RM'000
Cash and cash equivalents comprise:		
Short term funds	6,315	10,501
Deposits with licensed banks	17,337	15,206
Cash and bank balances	26,373	17,688
	<u>50,025</u>	<u>43,395</u>
Less:		
Bank overdraft	-	(99)
Deposits pledged to licensed banks	(16,951)	(14,578)
	<u>33,074</u>	<u>28,718</u>

Note:

(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements of Powerwell Holdings Berhad (“**Powerwell**” or “**the Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134 - Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

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

A2 Significant Accounting Policies

The accounting policies and presentations adopted by the Group in 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.

Application of New MFRSs, IC Interpretations and Amendments to MFRSs

During the financial year, the Group and the Company have applied the following new MFRSs, IC Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“**MASB**”) which are effective for the accounting period beginning on or after 1 April 2023:

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)

Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

The adoption of the IC Interpretation and amendments to MFRSs that are effective for the current financial year do not have any significant impact on the Group's financial statements.

New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Pre-Adopted

The Group and the Company have not pre-adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2024

Lease liability in a sale and leaseback (Amendments to MFRS 16 Leases)

Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)

Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

Effective for annual periods beginning on or after 1 January 2025

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes In Foreign Exchange Rates)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A2 Significant Accounting Policies (Cont'd)

New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Pre-Adopted (Cont'd)

Effective for annual periods beginning on or after a date that is detailed in paragraph 98M of MFRS 112

International Tax Reform—Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

Effective for annual periods beginning on or after a date to be determined by the MASB
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between Investor and its Associate or Joint Venture

A3 Auditors' Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 March 2023.

A4 Seasonal and Cyclical Factors

The demand for the Group's products is dependent on developments in the construction, infrastructure and transportation sectors in Malaysia and in other overseas countries as the Group supplies its products for new developments and refurbishment of properties and infrastructures. The sectors mentioned above typically move in tandem with the economy, where strong economic growth coupled with fiscal stimulus by the Government tends to spur growth in the sectors and vice versa.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Save as disclosed in this interim financial report, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current financial year-to-date.

A6 Material Changes in Estimates

There were no material changes in estimates that have a material effect, during the current financial quarter and current financial year-to-date.

A7 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter and current financial year-to-date under review.

A8 Dividends Paid

No dividend has been paid during the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**A9 Segmental Reporting**

The Group is principally involved in the design, manufacturing and trading of electricity distribution products which comprise low voltage (“LV”) switchboards, medium voltage (“MV”) switchgears and related products. The Group’s revenue is mainly confined to this single operating segment. As such, the revenue of the Group for the current financial quarter and current financial year-to-date is derived entirely from this operating segment.

In determining geographical segments of the Group, segment revenue is based on the geographical location of customers. Revenue breakdown by geographical location of the Group’s customers is set out as follows:

Revenue by geographical location	Individual Quarter				Cumulative Quarter			
	Current Year Quarter		Preceding Year Quarter		Current Year To-Date		Preceding Year To-Date	
	3 Months		3 Months		6 Months		6 Months	
	30.09.2023		30.09.2022		30.09.2023		30.09.2022	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Malaysia ⁽¹⁾	30,017	74.0	24,749	76.0	51,930	79.4	41,922	74.3
Bangladesh ⁽²⁾	8,062	19.9	6,963	21.4	8,062	12.3	10,772	19.1
Indonesia ⁽³⁾	2,500	6.1	278	0.8	5,425	8.3	2,505	4.4
Pakistan	-	-	222	0.7	-	-	824	1.5
Singapore	-	-	374	1.1	-	-	374	0.7
Total	40,579	100.0	32,586	100.0	65,417	100.0	56,397	100.0

Notes:

- (1) The Group’s operations in Malaysia recorded higher revenue in the current quarter as compared to the preceding year’s quarter mainly due to higher sales generated from project deliveries, including the semiconductor plant project, commercial property project and data centers projects.
- (2) The Group recorded higher revenue in Bangladesh in the current quarter as compared to the preceding year’s quarter mainly due to project deliveries for garment and yarn producer companies.
- (3) The Group’s operations in Indonesia recorded higher revenue in the current quarter as compared to the preceding year’s quarter mainly as a result of project deliveries for data center project and mining project.

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current financial quarter and current financial year-to-date.

A11 Material Events Subsequent to the End of the Reporting Period

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

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter and current financial year-to-date.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A13 Contingent Assets and Contingent Liabilities

There are no contingent assets and contingent liabilities which, upon becoming enforceable, may have a material impact on the Group's business, financial performance or financial position, as at the date of this interim financial report.

A14 Capital Commitments

The Group's planned capital commitments are disclosed in Section 3.4.1 of the prospectus of the Company dated 2 January 2020 in relation to the Company's initial public offering ("**IPO**") ("**Prospectus**"). The Group expects to meet its planned capital commitments through the IPO proceeds as well as internally generated funds.

The Company had proposed to vary the utilisation of IPO proceeds ("**Second Variation**") and extended the timeframe for utilisation of such proceeds ("**Third Extension**"), as detailed in the Company's circular to shareholders ("**Circular**") dated 11 August 2022. The Second Variation was approved by the shareholders at the Company's extraordinary general meeting ("**EGM**") held on 26 August 2022.

Save as disclosed above, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter.

A15 Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter and current financial year-to-date.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B1 Review of Financial Performance**

While the Group secures the project upfront, the Group's revenue is recognised upon the delivery to and acceptance of the products by its customers. Therefore, the issuance of the purchase order from customers and the timing of delivery and acceptance of the products for the projects will affect the Group's revenue.

Comparison with Preceding Year Corresponding Financial Quarter

	Individual Quarter		Cumulative Quarter	
	3-month ended		6-month ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	40,579	32,586	65,417	56,397
Profit before taxation	3,574	2,009	5,695	3,367

In the current financial quarter under review, the Group recorded a revenue of RM40.58 million and profit before taxation of RM3.57 million, as compared to a revenue and profit before taxation of RM32.59 million and RM2.01 million respectively in the corresponding financial quarter of the preceding year.

Revenue for the current financial quarter increased by 24.5% to RM40.58 million as compared with RM32.59 million in the preceding year's quarter mainly due to higher sales generated from project deliveries undertaken by the Group during the current financial quarter as compared to the preceding year's quarter, namely in Malaysia (contributing 74.0% of total revenue), Bangladesh (contributing 19.9% of total revenue) and Indonesia (contributing 6.1% of total revenue). The higher project sales in Malaysia in the current financial quarter were mainly due to high value project deliveries, including the semiconductor plan project, commercial property project and data centers projects.

The Group recorded a gross profit margin of 18.6% in the current financial quarter (corresponding financial quarter of the preceding year: 18.2 %).

In the current financial quarter, the Group has undertaken a total of 97 project deliveries, with higher value on LV switchboards and MV switchgears as compared to 89 project deliveries in the corresponding financial quarter of the preceding year.

The Group recorded a higher profit before taxation in the current financial quarter as compared to the corresponding financial quarter of the preceding year mainly attributed to higher revenue as explained above, higher gross profit, a net reversal of impairment losses on financial assets and reduced finance costs on trade finance charges. However, this was partly offset by higher staff costs (linked to expanded production manpower, increased payroll expenses and other personnel related expenses) and increased expenses related to selling and marketing activities.

In the 6-month period of the current financial period, the Group recorded a revenue of RM65.42 million and profit before taxation of RM5.70 million, as compared to a revenue and profit before taxation of RM56.40 million and RM3.37 million respectively in the preceding year's corresponding 6-month period.

The increase in revenue in the 6-month period ended 30 September 2023 as compared to the previous year's corresponding period was mainly due to higher number and higher value of projects delivered as explained above.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B1 Review of Financial Performance (Cont'd)**

The Group recorded a higher profit before taxation for the 6-month period ended 30 September 2023 as compared to the previous year's corresponding period mainly due to higher revenue and improved projects profitability, a net reversal of impairment losses on financial assets and lower finance costs on trade finance charges. However, this was partly offset by higher staff costs (linked to expanded production manpower, increased payroll expenses and other personnel related expenses) and increased expenses related to selling and marketing activities.

B2 Comparison with Immediate Preceding Quarter

	Individual Quarter		Changes RM'000
	3-month ended		
	30.09.2023 RM'000	30.06.2023 RM'000	
Revenue	40,579	24,838	15,741
Profit before taxation	3,574	2,121	1,453

The Group's revenue for the current financial quarter increased by 63.4% to RM40.58 million as compared to RM24.84 million recorded in the immediate preceding quarter. The increase in revenue was mainly due to higher value project deliveries on LV switchboards, including the semiconductor plan project, commercial property project and data centers projects in the current quarter.

The Group recorded higher profit before taxation of RM3.57 million in the current financial quarter as compared to profit before taxation of RM2.12 million in the immediate preceding quarter mainly due to higher revenue from project deliveries.

B3 Commentary on Prospects

Amid global economic uncertainty, weak market conditions and geopolitical tensions, Malaysia economic conditions remain subdued. The Ringgit Malaysia is near an all-time low, contributing to higher inflationary pressure and rising interest rates. These challenges pose difficulties for businesses, impacting production processes and escalating the cost of living. The Group foresees these factors to affect its operations in the current financial year ending 31 March 2024, leading to increased production costs and operating expenses.

To counter these challenges, the Group plans to expand its products portfolio and solutions in overseas markets, particularly in Indonesia and Bangladesh. The Group has established an assembly plant in Indonesia through its subsidiary, PT Powerwell Listrik Indonesia, to support business growth in the Indonesian market. The Group's strategic growth areas include data centers, semi-conductor factories, renewal energy, hospitals and utility projects (such as sewerage treatment and bio-diesel plants). Additionally, the Group will seek acquisitions opportunities and collaborations to boost revenue and profitability.

Cost optimisation initiatives remain a priority to the Group, involving among others, the review of production and supply chain processes to mitigate the impact of higher raw material prices on business profitability and to enhance operational efficiency.

The Group acknowledges the challenging business environment, considering the recessionary pressures from major economies, rising input costs, the depreciation of the Ringgit Malaysia and inflationary pressures. Despite these challenges, the Group maintains a cautiously optimistic outlook of its prospects for the current financial year ending 31 March 2024.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B4 Profit Forecast**

Not applicable as no profit forecast was issued.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.09.2023 RM'000	Preceding Year Quarter 3 Months 30.09.2022 RM'000	Current Year To-Date 6 Months 30.09.2023 RM'000	Preceding Year To-Date 6 Months 30.09.2022 RM'000
Income tax	1,151	850	1,997	996
Deferred tax	-	-	-	-
Tax expense	1,151	850	1,997	996
Effective tax rate	(1)32.2%	(1)42.3%	(1)35.1%	(1)29.6%

Notes:

(1) The effective tax rate is higher than the statutory tax rate mainly due to non-deductible expenses.

B6 Status of Corporate Proposals

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

B7 Utilisation of Proceeds Raised from Powerwell's IPO

As at 21 November 2023, the status of utilisation of the IPO proceeds amounting to RM21.85 million is as follows:

Details of utilisation	Intended utilisation of proceeds after the Second Variation ⁽¹⁾	Amount utilised as at 21 November 2023	Balance to be utilised	Revised timeframe for utilisation from the Listing Date after the Third Extension ⁽²⁾
	RM'000	RM'000	RM'000	
Capital expenditure	6,954	(6,202)	752	Within 48 months
- Purchase of machinery and equipment	5,444	(5,444)	-	
- Enhancement of enterprise resource planning (ERP) systems and hardware	1,510	(758)	752	
Working Capital	10,796	(10,796)	-	Within 48 months
- Purchase of materials and components	9,501	(9,501)	-	
- Marketing activities	1,295	(1,295)	-	
Listing expenses	4,100	(4,100)	-	
Total gross proceeds	21,850	(21,098)	752	

Notes:

- (1) Revised as per the Company's Circular dated 11 August 2022 and approved by the shareholders at the Company's EGM held on 26 August 2022.
- (2) Revised as per the Company's announcement to Bursa Securities dated 4 August 2022.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B8 Borrowings**

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

	Currency	As at 30.09.2023 RM'000	As at 31.03.2023 RM'000
<u>Secured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	383	441
Term loan	Ringgit Malaysia	7,731	7,969
		<u>8,114</u>	<u>8,410</u>
Current liabilities			
Lease liabilities	Ringgit Malaysia	253	390
Trade financing	Ringgit Malaysia	3,334	18,219
Term loan	Ringgit Malaysia	486	485
		<u>4,073</u>	<u>19,094</u>
<u>Unsecured</u>			
Non-current liabilities			
Lease liabilities	Indonesia Rupiah	41	-
Lease liabilities	Ringgit Malaysia	50	52
		<u>91</u>	<u>52</u>
Current liabilities			
Lease liabilities	Indonesia Rupiah	80	-
Lease liabilities	Ringgit Malaysia	176	146
		<u>256</u>	<u>146</u>
Total borrowings		<u>12,534</u>	<u>27,702</u>

B9 Material Litigation

There are no material litigations pending as at the date of this interim financial report.

B10 Proposed Dividend

As disclosed in the Company's quarterly announcement for the first quarter ended 30 June 2023 dated 29 August 2023, the Board of Directors of the Company had, on 29 August 2023, declared and approved the payment of a first single tier dividend of 0.6 sen per ordinary share in respect of the financial year ending 31 March 2024. The dividend was paid on 9 October 2023. The dividend paid was RM3,483,311.97.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B11 Earnings per Share**

The basic and diluted earnings per share for the current financial quarter and current financial year-to-date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.09.2023	Preceding Year Quarter 3 Months 30.09.2022	Current Year To-Date 6 Months 30.09.2023	Preceding Year To-Date 6 Months 30.09.2022
Profit for the financial period attributable to owners of the Company (RM'000)	2,423	1,159	3,698	2,371
Weighted average number of ordinary shares in issue ('000)	580,552	580,552	580,552	580,552
Basic earnings per share (sen) ⁽¹⁾	0.42	0.20	0.64	0.41
Diluted earnings per share (sen) ⁽²⁾	0.42	0.20	0.64	0.41

Notes:

- (1) The basic earnings per share is computed based on the profit for the financial period attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial quarter / financial year to-date.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B12 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Profit before taxation was arrived at after charging / (crediting) the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.09.2023 RM'000	Preceding Year Quarter 3 Months 30.09.2022 RM'000	Current Year To-Date 6 Months 30.09.2023 RM'000	Preceding Year To-Date 6 Months 30.09.2022 RM'000
Interest expenses	269	707	562	1,022
Depreciation of property, plant and equipment	399	311	793	565
Depreciation of investment properties	9	-	19	-
Depreciation of right-of-use assets	186	311	373	615
Impairment loss on trade and other receivables	136	899	557	999
Foreign exchange loss/(gain) – unrealised (net)	8	243	(49)	206
Property, plant and equipment written off	22	-	31	-
Rental of premises	18	-	18	-
Rental deposit forfeited	-	2	-	2
Reversal of impairment losses on trade and other receivables	(250)	(299)	(1,933)	(669)
Foreign exchange loss/(gain) – realised (net)	87	(353)	51	(402)
Interest income	(154)	(66)	(338)	(81)
Investment income	(52)	(55)	(99)	(145)
Gain on reassessment and modification of right-of-use assets	-	-	(1)	-
Gain on disposal of property, plant and equipment	(151)	(8)	(197)	(46)
Write back of provision for sales tax	-	-	-	(397)

Save as disclosed in this Note B12, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B13 Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this interim financial report.