

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 31.12.2023 RM'000	Preceding Year Quarter 3 Months 31.12.2022 RM'000	Current Year To-Date 9 Months 31.12.2023 RM'000	Preceding Year To-Date 9 Months 31.12.2022 RM'000
Revenue	67,484	45,027	132,901	101,424
Cost of sales	(49,519)	(39,286)	(102,442)	(85,499)
Gross profit	17,965	5,741	30,459	15,925
Other income	566	106	1,259	1,254
Net reversal of impairment losses / (impairment losses) on financial assets	(919)	690	457	360
Administrative and distribution expenses	(4,633)	(4,856)	(12,869)	(11,462)
Other operating expenses	(818)	(22)	(888)	(29)
Profit from operations	12,161	1,659	18,418	6,048
Finance costs	(129)	(46)	(691)	(1,068)
Profit before taxation	12,032	1,613	17,727	4,980
Taxation	(2,480)	34	(4,477)	(962)
Profit for the financial period	9,552	1,647	13,250	4,018
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects:</i>				
Foreign currency translation difference	(27)	(156)	31	(25)
Total comprehensive income for the financial period	9,525	1,491	13,281	3,993
Profit for the financial period attributable to:				
Owners of the Company	9,552	1,647	13,250	4,018
Non-controlling interests	-	-	-	-
	9,552	1,647	13,250	4,018
Total comprehensive income for the financial period attributable to:				
Owners of the Company	9,525	1,491	13,281	3,993
Non-controlling interests	-	-	-	-
	9,525	1,491	13,281	3,993
Earnings per share attributable to owners of the Company (sen) ⁽²⁾ :				
Basic / Diluted ⁽³⁾	1.65	0.28	2.28	0.69

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 31 December 2023.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾**

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,000	31,516
Right-of-use assets	1,148	930
Intangible assets	48	42
Goodwill	485	485
Investment property	-	1,897
Deferred tax assets	41	41
	32,722	34,911
Current assets		
Inventories	17,721	14,032
Trade and other receivables	47,592	52,753
Current tax assets	-	3,027
Short term funds	2,837	2,216
Deposits, cash and bank balances	73,390	47,521
	141,540	119,549
TOTAL ASSETS	174,262	154,460
EQUITY AND LIABILITIES		
Equity		
Share capital	36,348	36,348
Retained earnings	49,684	39,917
Foreign exchange translation reserve	135	104
	86,167	76,369
Non-controlling interests	-	-
TOTAL EQUITY	86,167	76,369
Non-current liabilities		
Lease liabilities	526	493
Bank borrowings	7,606	7,969
	8,132	8,462
Current liabilities		
Trade and other payables	77,138	50,389
Bank borrowings	2,009	18,704
Lease liabilities	584	536
Current tax liabilities	232	-
	79,963	69,629
TOTAL LIABILITIES	88,095	78,091
TOTAL EQUITY AND LIABILITIES	174,262	154,460
Net assets per share (RM) ⁽²⁾	0.15	0.13

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.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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	-	-	13,250	13,250	-	13,250
Other comprehensive income for the financial period	-	31	-	31	-	31
Total comprehensive income	-	31	13,250	13,281	-	13,281
Dividend	-	-	(3,483)	(3,483)	-	(3,483)
Balance at 31 December 2023	36,348	135	49,684	86,167	-	86,167

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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.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾**

	Cumulative Quarter	
	Current Year To-Date 9 Months 31.12.2023 RM'000	Preceding Year To-Date 9 Months 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,727	4,980
Adjustments for:		
Non-cash items	2,185	1,822
Non-operating items	(397)	(41)
Interest expenses	691	1,068
Interest income	(496)	(140)
Investment income	(122)	(186)
Operating profit before working capital changes	19,588	7,503
Changes in working capital:		
Inventories	(3,689)	(16,807)
Trade and other receivables	5,102	(24,276)
Trade and other payables	26,590	30,159
Cash generated from/(used in) operations	47,591	(3,421)
Tax paid	(1,285)	(1,148)
Tax refunded	66	653
Net cash generated from/(used in) operating activities	46,372	(3,916)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	496	140
Investment income received	122	186
Net placement of fixed deposits pledged with licensed bank	(167)	(14,587)
Purchases of property, plant and equipment	(772)	(3,680)
Purchase of intangible assets	(6)	(426)
Purchase of right-of-use assets	-	(88)
Proceeds from disposal of property, plant and equipment	334	46
Proceeds from disposal of investment property	2,000	-
Net cash generated from/(used in) investing activities	2,007	(18,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(658)	(1,017)
Payment for lease liabilities	(735)	(809)
Net drawdown of bank borrowings	-	11,471
Net repayments of bank borrowings	(17,058)	-
Dividend paid	(3,483)	-
Net cash (used in)/generated from financing activities	(21,934)	9,645
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	26,445	(12,680)
Cash and cash equivalents at beginning of the financial period	32,953	38,057
Net exchange differences	(122)	(86)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	59,276	25,291

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (Cont'd)

	Cumulative Quarter	
	Current Year To-Date 9 Months 31.12.2023 RM'000	Preceding Year To-Date 9 Months 31.12.2022 RM'000
Cash and cash equivalents comprise:		
Short term funds	2,837	3,997
Deposits with licensed banks	17,332	17,194
Cash and bank balances	56,058	20,687
	<u>76,227</u>	<u>41,878</u>
Less:		
Deposits pledged to licensed banks	(16,951)	(16,587)
	<u>59,276</u>	<u>25,291</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.

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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

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, transportation and renewable energy 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

On 29 August 2023, the Board of Directors of the Company 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.

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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		9 Months		9 Months	
	31.12.2023		31.12.2022		31.12.2023		31.12.2022	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Malaysia ⁽¹⁾	25,508	37.9	42,688	94.8	77,438	58.3	84,610	83.4
Bangladesh ⁽²⁾	41,049	60.8	904	2.0	49,111	37.0	11,676	11.5
Indonesia ⁽³⁾	767	1.1	1,435	3.2	6,192	4.6	3,940	3.9
Pakistan	-	-	-	-	-	-	824	0.8
Singapore	-	-	-	-	-	-	374	0.4
Australia ⁽⁴⁾	160	0.2	-	-	160	0.1	-	-
Total	67,484	100.0	45,027	100.0	132,901	100.0	101,424	100.0

Notes:

- (1) The Group’s revenue in Malaysia in the current quarter was lower as compared to the preceding quarter primarily attributable to lower project deliveries, mainly from the semiconductor plant project for a multi-national corporation in Kulim Hi-Tech Park, Kedah, Malaysia, as the project is nearing final stages of completion. Nevertheless, the Group’s operations show resilience as there was a notable uptick in project deliveries for commercial property and data centers projects.
- (2) The Group achieved substantial revenue growth in Bangladesh during the current quarter as compared to the preceding year’s quarter, driven primarily by the successful deliveries of projects, including the solar power plant and the garment and yarn projects.
- (3) The Group’s operations in Indonesia recorded lower revenue in the current quarter as compared to the preceding year’s quarter primarily due to decreased project deliveries for LV sales.
- (4) In the current quarter, the Group achieved a significant milestone by successfully delivering LV switchboards to a factory in Australia, marking the Group’s entry into the Australian market.

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.

PART A – EXPLANATORY NOTES TO THE 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.

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

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.

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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		9-month ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	67,484	45,027	132,901	101,424
Profit before taxation	12,032	1,613	17,727	4,980

In the current financial quarter under review, the Group recorded a revenue of RM67.48 million and profit before taxation of RM12.03 million, as compared to a revenue and profit before taxation of RM45.03 million and RM1.61 million respectively in the corresponding financial quarter of the preceding year.

Revenue for the current financial quarter increased significantly by 49.9% to RM67.48 million as compared to RM45.03 million in the preceding year's quarter. The revenue growth was primarily driven by higher sales from Bangladesh due to project sales from the successful deliveries of the solar power plant and garment and yarn projects. While Malaysia recorded a reduction in project sales in the current financial quarter due to the semiconductor plant project nearing completion, uptick of sales in high value projects such as commercial properties and data centers projects were achieved.

In the current financial quarter, the Group achieved a gross profit margin of 26.6% as compared to 12.8% in the corresponding financial quarter of the preceding year. This substantial improvement is attributed to higher gross profit margin realised from key projects, particularly in the data centers, solar power plant project and semiconductor plant project, underlining our strong performance and growth trajectory in these sectors.

In the current financial quarter, the Group achieved a substantial increase in profit before taxation as compared to the corresponding financial quarter of the preceding year. This increase is attributed to higher revenue as explained above, improved gross profit and other income from the disposal of investment property and other plant and equipment. However, this was partially offsetted by a net reversal of impairment losses on financial assets and higher operating expenses, particularly due to unrealised loss on foreign currency exchange of RM850,000 resulting from the depreciation of Ringgit Malaysia.

In the 9-month period of the current financial period, the Group reported a revenue of RM132.90 million and profit before taxation of RM17.73 million, as compared to a revenue and profit before taxation of RM101.42 million and RM4.98 million respectively for the corresponding 9-month period in the preceding year.

The increase in revenue for the 9-month period ended 31 December 2023 as compared to the previous year's corresponding period is attributed to the delivery of a greater number and higher value of projects as explained above.

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

The Group recorded a substantial increase in profit before taxation for the 9-month period ended 31 December 2023 as compared to the previous year's corresponding period. This increase is attributed to higher revenue as explained above, enhanced projects profitability and lower finance costs on trade finance charges. However, this was partially offset by higher staff costs attributed to expanded production manpower, increased expenses related to selling and marketing activities and higher operating expenses arising from unrealised loss on foreign currency exchange.

B2 Comparison with Immediate Preceding Quarter

	Individual Quarter		Changes RM'000
	3-month ended		
	31.12.2023 RM'000	30.09.2023 RM'000	
Revenue	67,484	40,579	26,905
Profit before taxation	12,032	3,574	8,458

In the current financial quarter, the Group's revenue surged by a substantial 66.3% to RM67.48 million as compared to RM40.58 million recorded in the immediate preceding quarter. The growth in revenue was driven primarily by the delivery of higher value projects involving LV switchboards and switchgears panels. Key contributors include the commercial property project, data centers projects and solar power plant project.

The Group recorded higher profit before taxation of RM12.03 million in the current financial quarter, marking a significant improvement from RM3.57 million in the immediate preceding quarter. The higher profit before taxation is attributed to heightened revenue and improved gross profit. However, this was partially offset by net reversal of impairment losses on financial assets, higher staff expenses and higher operating expenses, particularly due to the unrealised loss on foreign currency exchange of RM850,000 resulting from the depreciation of Ringgit Malaysia.

B3 Commentary on Prospects

In Malaysia, challenges persist due to high interest rates, inflationary pressures and a weak Ringgit Malaysia. These factors, along with the impact of higher sales and service tax have subdued consumer sentiments and dampened economic conditions. The weakening Ringgit Malaysia has also led to higher input costs, affecting production processes and escalating the cost of living.

In the Indonesian market where the Group's subsidiary PT Powerwell Listrik Indonesia operates, the Presidential election campaigns have led to delays in projects rollout and development. This has impacted project implementation, resulting in a slowdown.

Despite challenges, the Group remains focused to adapting to market dynamics and optimising strategies for continuous growth. Expansion efforts include diversifying the products portfolio and solutions in overseas markets. Leveraging our track record and strengths in infrastructure rail projects, the Group have secured the Rapid Transit System (RTS) Link projects valued at RM9.27 million, with final deliveries expected by the fourth quarter of calendar year 2024 as per the announcement to Bursa Securities dated 26 September 2023. Additionally, the Group have been awarded multiple data centers projects, with on-going deliveries in progress.

Cost control management remains a priority to the Group, with a focus on reviewing production and supply chain processes to mitigate the impact of higher raw material prices and enhance operational efficiency.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B3 Commentary on Prospects (Cont'd)**

Despite the prevailing uncertainty and challenges in the business environment, including the recessionary pressures in major economies, rising input costs, the depreciation of the Ringgit Malaysia, inflationary pressures and higher sales and service tax, the Group remains cautiously optimistic. We anticipate achieving improved financial performance for the current financial year ending 31 March 2024, driven by the continued improvement in high value projects deliveries and enhanced projects profitability.

B4 Profit Forecast

Not applicable as no profit forecast was issued.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 31.12.2023 RM'000	Preceding Year Quarter 3 Months 31.12.2022 RM'000	Current Year To-Date 9 Months 31.12.2023 RM'000	Preceding Year To-Date 9 Months 31.12.2022 RM'000
Income tax	2,480	(34)	4,477	962
Deferred tax	-	-	-	-
Tax expense	2,480	(34)	4,477	962
Effective tax rate	⁽¹⁾ 20.6%	⁽²⁾ (2.1%)	⁽³⁾ 25.3%	⁽¹⁾ 19.3%

Notes:

- (1) The effective tax rate is lower than the statutory tax rate mainly due to utilisation of brought forward tax losses.
- (2) The negative effective tax rate was mainly due to reinvestment allowance on certain machinery and equipment which are eligible for reinvestment allowance tax incentive.
- (3) 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.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B7 Utilisation of Proceeds Raised from Powerwell’s IPO**

As at 22 February 2024, 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 Third Variation ⁽¹⁾	Amount utilised as at 22 February 2024	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	6,202	(6,202)	-	Within 48 months
- Purchase of machinery and equipment	5,444	(5,444)	-	
- Enhancement of enterprise resource planning (ERP) systems and hardware	758	(758)	-	
Working Capital	11,548	(11,548)	-	Within 48 months
- Purchase of materials and components	10,253	(10,253)	-	
- Marketing activities	1,295	(1,295)	-	
Listing expenses	4,100	(4,100)	-	
Total gross proceeds	21,850	(21,850)	-	

Notes:

- (1) Revised as per Company’s announcement to Bursa Securities dated 12 December 2023.
(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 31.12.2023 RM'000	As at 31.03.2023 RM'000
<u>Secured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	479	441
Term loan	Ringgit Malaysia	7,606	7,969
		<u>8,085</u>	<u>8,410</u>
Current liabilities			
Lease liabilities	Ringgit Malaysia	359	390
Trade financing	Ringgit Malaysia	1,518	18,219
Term loan	Ringgit Malaysia	491	485
		<u>2,368</u>	<u>19,094</u>
<u>Unsecured</u>			
Non-current liabilities			
Lease liabilities	Indonesia Rupiah	20	-
Lease liabilities	Ringgit Malaysia	27	52
		<u>47</u>	<u>52</u>
Current liabilities			
Lease liabilities	Indonesia Rupiah	79	-
Lease liabilities	Ringgit Malaysia	146	146
		<u>225</u>	<u>146</u>
Total borrowings		<u>10,725</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

On 22 February 2024, the Board of Directors of the Company declared and approved the payment of a second single tier dividend of 1.4 sen per ordinary share in respect of the financial year ending 31 March 2024. The dividend will be paid on 26 April 2024 to shareholders registered in the Record of Depositors as at 29 March 2024.

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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:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>3 Months</u> <u>31.12.2023</u>	<u>Preceding Year</u> <u>Quarter</u> <u>3 Months</u> <u>31.12.2022</u>	<u>Current Year</u> <u>To-Date</u> <u>9 Months</u> <u>31.12.2023</u>	<u>Preceding Year</u> <u>To-Date</u> <u>9 Months</u> <u>31.12.2022</u>
Profit for the financial period attributable to owners of the Company (RM'000)	9,552	1,647	13,250	4,018
Weighted average number of ordinary shares in issue ('000)	580,552	580,552	580,552	580,552
Basic earnings per share (sen) ⁽¹⁾	1.65	0.28	2.28	0.69
Diluted earnings per share (sen) ⁽²⁾	1.65	0.28	2.28	0.69

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.

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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 31.12.2023 RM'000	Preceding Year Quarter 3 Months 31.12.2022 RM'000	Current Year To-Date 9 Months 31.12.2023 RM'000	Preceding Year To-Date 9 Months 31.12.2022 RM'000
Interest expenses	129	46	691	1,068
Depreciation of property, plant and equipment	425	410	1,218	975
Depreciation of investment properties	10	-	29	-
Depreciation of right-of-use assets	193	324	566	939
Impairment loss on trade and other receivables	1,000	242	1,557	1,241
Reversal of impairment losses on trade and other receivables	(81)	(932)	(2,014)	(1,601)
Foreign exchange loss – unrealised (net)	850	60	801	266
Foreign exchange gain – realised (net)	(108)	(20)	(57)	(422)
Property, plant and equipment written off	10	13	41	13
Rental of premises	9	-	27	-
Rental deposit written off	-	-	-	2
Interest income	(158)	(59)	(496)	(140)
Investment income	(23)	(41)	(122)	(186)
Gain on reassessment and modification of right-of-use assets	-	(7)	(1)	(7)
Gain on disposal of property, plant and equipment	(117)	-	(314)	(46)
Gain on disposal of investment property	(123)	-	(123)	-
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.