

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 31.03.2024 RM'000	Preceding Year Quarter 3 Months 31.03.2023 RM'000	Current Year To-Date 12 Months 31.03.2024 RM'000	Preceding Year To-Date 12 Months 31.03.2023 RM'000
Revenue	21,864	57,661	154,765	159,085
Cost of sales	(6,337)	(48,950)	(108,779)	(134,449)
Gross profit	15,527	8,711	45,986	24,636
Other income	545	936	1,804	2,189
Net impairment losses on financial assets	(2,764)	(1,791)	(2,307)	(1,431)
Administrative and distribution expenses	(4,749)	(3,025)	(17,618)	(14,487)
Other operating income/(expenses)	178	(1,053)	(710)	(1,082)
Profit from operations	8,737	3,778	27,155	9,825
Finance costs	(135)	(255)	(826)	(1,323)
Profit before taxation	8,602	3,523	26,329	8,502
Taxation	(2,143)	(727)	(6,620)	(1,689)
<b>Profit for the financial period</b>	<b>6,459</b>	<b>2,796</b>	<b>19,709</b>	<b>6,813</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects:</i>				
Foreign currency translation difference	15	64	46	39
<b>Total comprehensive income for the financial period</b>	<b>6,474</b>	<b>2,860</b>	<b>19,755</b>	<b>6,852</b>
Profit for the financial period attributable to:				
Owners of the Company	6,459	2,796	19,709	6,813
Non-controlling interests	-	-	-	-
	6,459	2,796	19,709	6,813
Total comprehensive income for the financial period attributable to:				
Owners of the Company	6,474	2,860	19,755	6,852
Non-controlling interests	-	-	-	-
	6,474	2,860	19,755	6,852
Earnings per share attributable to owners of the Company (sen) <sup>(2)</sup> :				
Basic / Diluted <sup>(3)</sup>	1.11	0.48	3.39	1.17

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**

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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 March 2023.

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**

	Unaudited As at 31.03.2024 RM'000	Audited As at 31.03.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,612	31,516
Investment property	-	1,897
Right-of-use assets	968	930
Intangible assets	105	42
Goodwill	485	485
Deferred tax assets	203	41
	<b>32,373</b>	<b>34,911</b>
<b>Current assets</b>		
Inventories	17,354	14,032
Trade and other receivables	24,470	52,753
Current tax assets	1,054	3,027
Short term funds	2,859	2,216
Deposits, cash and bank balances	85,197	47,521
	<b>130,934</b>	<b>119,549</b>
<b>TOTAL ASSETS</b>	<b>163,307</b>	<b>154,460</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	36,348	36,348
Retained earnings	48,015	39,917
Foreign exchange translation reserve	150	104
	<b>84,513</b>	<b>76,369</b>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<b>84,513</b>	<b>76,369</b>
<b>Non-current liabilities</b>		
Lease liabilities	252	493
Bank borrowings	7,479	7,969
	<b>7,731</b>	<b>8,462</b>
<b>Current liabilities</b>		
Trade and other payables	57,231	50,389
Bank borrowings	5,001	18,704
Lease liabilities	702	536
Dividend payable	8,128	-
Current tax liabilities	1	-
	<b>71,063</b>	<b>69,629</b>
<b>TOTAL LIABILITIES</b>	<b>78,794</b>	<b>78,091</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>163,307</b>	<b>154,460</b>
Net assets per share (RM) <sup>(2)</sup>	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 FOURTH QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>

	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		
<b>At 1 April 2023</b>	<b>36,348</b>	<b>104</b>	<b>39,917</b>	<b>76,369</b>	-	<b>76,369</b>
Profit for the financial period	-	-	19,709	19,709	-	19,709
Other comprehensive income for the financial period	-	46	-	46	-	46
<b>Total comprehensive income</b>	<b>-</b>	<b>46</b>	<b>19,709</b>	<b>19,755</b>	<b>-</b>	<b>19,755</b>
Dividend	-	-	(11,611)	(11,611)	-	(11,611)
<b>Balance at 31 March 2024</b>	<b>36,348</b>	<b>150</b>	<b>48,015</b>	<b>84,513</b>	<b>-</b>	<b>84,513</b>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup> (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				
<b>At 1 April 2022</b>	<b>36,348</b>	<b>65</b>	<b>33,104</b>	<b>69,517</b>	<b>-</b>	<b>69,517</b>
Profit for the financial period	-	-	6,813	6,813	-	6,813
Other comprehensive income for the financial period	-	39	-	39	-	39
<b>Total comprehensive income</b>	<b>-</b>	<b>39</b>	<b>6,813</b>	<b>6,852</b>	<b>-</b>	<b>6,852</b>
<b>Balance at 31 March 2023</b>	<b>36,348</b>	<b>104</b>	<b>39,917</b>	<b>76,369</b>	<b>-</b>	<b>76,369</b>

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 FOURTH QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup>**

	Cumulative Quarter	
	Current Year To-Date 12 Months 31.03.2024 RM'000	Preceding Year To-Date 12 Months 31.03.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	26,329	8,502
Adjustments for:		
Non-cash items	5,210	4,015
Non-operating items	(389)	858
Interest expenses	826	1,323
Interest income	(1,020)	(342)
Investment income	(144)	(205)
Operating profit before working capital changes	30,812	14,151
Changes in working capital:		
Inventories	(3,322)	(2,444)
Trade and other receivables	26,183	(16,644)
Trade and other payables	6,378	15,418
Cash generated from operations	60,051	10,481
Tax paid	(4,874)	(662)
Tax refunded	67	-
Net cash generated from operating activities	55,244	9,819
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,020	342
Investment income received	144	205
Net placement of fixed deposits pledged with licensed banks	(355)	(14,784)
Purchases of property, plant and equipment	(797)	(5,026)
Purchase of intangible assets	(64)	(576)
Proceeds from disposal of property, plant and equipment	334	164
Proceeds from disposal of investment property	2,000	-
Net cash generated from/(used in) investing activities	2,282	(19,675)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(783)	(1,261)
Payment for lease liabilities	(929)	(1,052)
Net drawdown of bank borrowings	(14,193)	7,155
Dividend paid by the Company	(3,483)	-
Net cash (used in)/generated from financing activities	(19,388)	4,842
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>38,138</b>	<b>(5,014)</b>
Cash and cash equivalents at beginning of the financial period	32,953	38,057
Net exchange differences	(174)	(90)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>70,917</b>	<b>32,953</b>

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup> (Cont'd)**

	Cumulative Quarter	
	Current Year To-Date 12 Months 31.03.2024 RM'000	Preceding Year To-Date 12 Months 31.03.2023 RM'000
<b>Cash and cash equivalents comprise:</b>		
Short term funds	2,859	2,216
Deposits with licensed banks	34,524	17,348
Cash and bank balances	50,673	30,173
	<u>88,056</u>	<u>49,737</u>
Less:		
Bank overdraft	-	-
Deposits pledged to licensed banks	(17,139)	(16,784)
	<u>70,917</u>	<u>32,953</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**

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**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 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)

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

The adoption of the new MFRS 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**

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**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 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**

The dividend paid by the Company during the financial period was as follows:

	<b>RM'000</b>
<u>In respect of the current financial year ended 31 March 2024</u>	
First interim single tier dividend of 0.6 sen per ordinary share, paid on 9 October 2023	<u>3,483</u>

On 22 February 2024, the Board of Directors of the Company declared and approved the payment of a second interim single tier dividend of 1.4 sen per ordinary share for the financial year ended 31 March 2024. The dividend, totalling RM8,127,728.96, was paid on 26 April 2024.

**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		12 Months		12 Months	
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Malaysia <sup>(1)</sup>	20,288	92.8	55,077	95.5	97,726	63.1	139,687	87.8
Bangladesh <sup>(2)</sup>	854	3.9	-	-	49,965	32.3	11,676	7.4
Indonesia <sup>(3)</sup>	449	2.1	2,491	4.3	6,641	4.3	6,431	4.0
Pakistan	-	-	-	-	-	-	824	0.5
Singapore	-	-	93	0.2	-	-	467	0.3
Australia	-	-	-	-	160	0.1	-	-
Philippines <sup>(4)</sup>	273	1.2	-	-	273	0.2	-	-
<b>Total</b>	<b>21,864</b>	<b>100.0</b>	<b>57,661</b>	<b>100.0</b>	<b>154,765</b>	<b>100.0</b>	<b>159,085</b>	<b>100.0</b>

Notes:

- (1) The Group’s revenue in Malaysia in the current quarter was lower as compared to the preceding quarter mainly due to decreased project deliveries. This was particularly notable in the semiconductor plant project for a multi-national corporation which is nearing completion.
- (2) The Group’s revenue in Bangladesh in the current quarter is primarily from the successful final delivery of the solar power plant project. No revenue was recorded in the preceding quarter.
- (3) The Group’s operations in Indonesia recorded a decrease in revenue in the current quarter as compared to the preceding year’s quarter mainly due to reduced project deliveries for LV sales.
- (4) In the current quarter, the Group supplied type tested LV switchboards to the Philippines, opening up opportunities for the Group to supply switchboard panels in overseas 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.

**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**

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**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		12-month ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	21,864	57,661	154,765	159,085
Profit before taxation	8,602	3,523	26,329	8,502

In the current financial quarter under review, the Group recorded a revenue of RM21.86 million and profit before taxation of RM8.60 million, as compared to a revenue and profit before taxation of RM57.66 million and RM3.52 million respectively in the corresponding financial quarter of the preceding year.

In the current financial quarter, revenue decreased by 62.1% to RM21.86 million from RM57.66 million in the preceding year's quarter, mainly due to reduced project deliveries. This was notably due to the semiconductor plant project for a multi-national corporation nearing completion. This project accounted for 40.4% of revenue in the current financial quarter, down from 52.1% in the preceding year quarter.

The Group's gross profit margin surged to 71.0% in the current financial quarter from 15.1% of the corresponding financial quarter of the preceding year. This increase is primarily attributed to the nearing completion of the semiconductor plant project, where production costs were incurred in the previous year and revenue was invoiced in the current period, along with the reversal of a specific provision.

The Group achieved a higher profit before taxation in the current financial quarter as compared to the corresponding period of the preceding year primarily due to increased gross profit as explained above. However, this was partially offset by higher net impairment losses on financial assets and increased expenses, mainly attributed to higher staff costs. In the preceding year's quarter, other operating expenses were largely due to the write-off of intangible assets related to the ERP system costs, following the scrapping of the ERP system implementation.

In the 12-month period of the current financial period, the Group recorded a revenue of RM154.77 million and profit before taxation of RM26.33 million, as compared to a revenue and profit before taxation of RM159.09 million and RM8.50 million respectively in the preceding year's corresponding 12-month period.

The revenue decline in the 12-month period ended 31 March 2024 as compared to the previous year's corresponding period was primarily due to fewer projects delivered in the current financial year, notably the semiconductor plant project nearing completion. Nonetheless, the Group demonstrated resilience, with significant revenue contributions from high value projects such as the solar power plant project in Bangladesh, data centres projects and commercial properties projects.

In the 12-month financial year ended 31 March 2024, the Group achieved a gross profit margin of 29.7%, up from 15.5% in the previous year's corresponding period. This increase was primarily driven by higher profitability from several completed high value projects, notably the semiconductor plant project as explained above, solar power plant project and data centres projects.

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

The Group reported a significant increase in profit before taxation for the 12-month financial year ended 31 March 2024 as compared to the previous year's corresponding period. This was primarily driven by higher profitability from various completed high valued projects, alongside reduced other operating expenses due to the write-off of intangible assets related to ERP system costs in the previous year. However, these gains were partially offset by higher net impairment losses on financial assets, increased expenses particularly in staff costs and selling and marketing activities.

**B2 Comparison with Immediate Preceding Quarter**

	<b>Individual Quarter</b>		<b>Changes</b>
	<b>3-month ended</b>		
	<b>31.03.2024</b>	<b>31.12.2023</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	21,864	67,484	(45,620)
Profit before taxation	8,602	12,032	(3,430)

In the current financial quarter, the Group's revenue decreased by 67.6% to RM21.86 million as compared to RM67.48 million recorded in the immediate preceding quarter. This decline was primarily attributed to the nearing completion of the semiconductor plant project for a multinational corporation. Conversely, the immediate preceding quarter saw higher revenue primarily driven by the delivery of the solar power plant project in Bangladesh.

In the current financial quarter, the Group's profit before taxation decreased to RM8.60 million from RM12.03 million in the immediate preceding quarter. This decline is mainly due to reduced revenue from fewer project deliveries and higher net impairment losses on financial assets. However, it was partially offset by lower operating expenses, notably the unrealised loss on foreign currency exchange.

**B3 Commentary on Prospects**

The Malaysian economic environment faces inflationary pressures due to a weak Ringgit Malaysia and high interest rates, impacting consumer sentiments. The escalating cost of living due to sustained high inflation, subsidy cuts for staple goods, hikes in utility tariffs and elevation of sales and service tax (SST) from 6% to 8% have led to higher input costs, affecting production processes and cost of doing business.

Despite the challenges, the Group aims to capitalise on opportunities in the digital technology, data centres, semiconductor, renewal energy and infrastructure sectors by leveraging our track record and strength in these segments. In the international markets, the Group will continue to seek expansion in Indonesia and Bangladesh through collaboration with our strategic partners on customers segments and diversifying the products portfolio and solutions to gain market access. Additionally, the Group will recalibrate its production capacity and equipment, and increase its marketing activities and brand awareness to grow its market share.

Cost optimisation measures will be intensified which include, among others, reviewing the production and supply chain processes to mitigate the impact of higher raw material prices on its business profitability and to deliver higher operational efficiency.

The Group will continue to keep a cautiously optimistic outlook of its prospects in the current financial year ending 31 March 2025 amidst global supply chain disruptions, economic uncertainties, rising input costs, weakening of the Malaysian Ringgit and rising inflation.

**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 31.03.2024 RM'000	Preceding Year Quarter 3 Months 31.03.2023 RM'000	Current Year To-Date 12 Months 31.03.2024 RM'000	Preceding Year To-Date 12 Months 31.03.2023 RM'000
Income tax	2,143	1,550	6,620	2,512
Deferred tax	-	(823)	-	(823)
Tax expense	<u>2,143</u>	<u>727</u>	<u>6,620</u>	<u>1,689</u>
Effective tax rate	<sup>(1)</sup> 24.9%	<sup>(2)</sup> 20.6%	<sup>(1)</sup> 25.1%	<sup>(2)</sup> 19.9%

Notes:

- (1) The effective tax rate is higher than the statutory tax rate mainly due to non-deductible expenses.  
(2) The effective tax rate is lower than the statutory tax rate mainly due to utilisation of brought forward tax losses.

**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.

**B7 Utilisation of Proceeds Raised from Powerwell's IPO**

All proceeds raised from the Company's initial public offering have been fully utilised during the financial year.

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

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

	Currency	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
<b><u>Secured</u></b>			
<b>Non-current liabilities</b>			
Lease liabilities	Ringgit Malaysia	230	441
Term loan	Ringgit Malaysia	7,479	7,969
		<u>7,709</u>	<u>8,410</u>
<b>Current liabilities</b>			
Lease liabilities	Ringgit Malaysia	496	390
Trade financing	Ringgit Malaysia	4,504	7,696
Trust receipts	Ringgit Malaysia	-	10,523
Term loan	Ringgit Malaysia	497	485
		<u>5,497</u>	<u>19,094</u>
<b><u>Unsecured</u></b>			
<b>Non-current liabilities</b>			
Lease liabilities	Ringgit Malaysia	22	52
		<u>22</u>	<u>52</u>
<b>Current liabilities</b>			
Lease liabilities	Indonesia Rupiah	80	-
Lease liabilities	Ringgit Malaysia	126	146
		<u>206</u>	<u>146</u>
<b>Total borrowings</b>		<b><u>13,434</u></b>	<b><u>27,702</u></b>

**B9 Material Litigation**

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

**B10 Proposed Dividends**

On 30 May 2024, the Board of Directors of the Company declared and approved the payment of a third single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2024. The dividend will be paid on 30 July 2024 to shareholders registered in the Record of Depositors as at 16 July 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 3 Months 31.03.2024</b>	<b>Preceding Year Quarter 3 Months 31.03.2023</b>	<b>Current Year To-Date 12 Months 31.03.2024</b>	<b>Preceding Year To-Date 12 Months 31.03.2023</b>
Profit for the financial period attributable to owners of the Company (RM'000)	6,459	2,796	19,709	6,813
Weighted average number of ordinary shares in issue ('000)	580,552	580,552	580,552	580,552
Basic earnings per share(sen) <sup>(1)</sup>	1.11	0.48	3.39	1.17
Diluted earnings per share (sen) <sup>(2)</sup>	1.11	0.48	3.39	1.17

**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 31.03.2024 RM'000	Preceding Year Quarter 3 Months 31.03.2023 RM'000	Current Year To-Date 12 Months 31.03.2024 RM'000	Preceding Year To-Date 12 Months 31.03.2023 RM'000
Interest expenses	135	255	826	1,323
Depreciation of property, plant and equipment	406	401	1,624	1,376
Depreciation of investment properties	-	3	29	3
Depreciation of right-of-use assets	209	167	775	1,106
Impairment loss on trade and other receivables	2,764	2,390	4,321	3,631
Reversal of impairment losses on trade and other receivables	-	(599)	(2,014)	(2,200)
Intangible assets written off on ERP system costs	-	950	-	950
Foreign exchange (gain)/loss – unrealised (net)	(354)	(181)	474	85
Rental expense of premises	9	236	36	236
Rental deposit written off	2	-	2	2
Property, plant and equipment written off	8	3	49	16
Write down of inventories	-	11	-	11
Foreign exchange loss/(gain) – realised (net)	(146)	115	(203)	(307)
Interest income	(524)	(202)	(1,020)	(342)
Investment income	(22)	(19)	(144)	(205)
Gain on reassessment and modification of right-of-use assets	-	-	(1)	(7)
Gain on disposal of property, plant and equipment	-	(56)	(314)	(102)
Gain on disposal of investment property	-	-	(123)	-
Writeback 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.