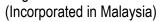


INTERIM FINANCIAL REPORT THIRD QUARTER ENDED 31 DECEMBER 2020

SOLARVEST HOLDINGS BERHAD

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



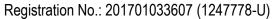


Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020(1)

		Unaudited As At 31/12/2020	Audited As At 31/3/2020
	Note	RM'000	RM'000
Non-current assets			
Property, plant and equipment		14,637	13,773
Right-of-use assets		5,176	2,597
Investment properties		853	868
Intangible assets		364	465
Other investment		-	*
Deferred tax assets		595	668
Trade receivables		1,665	5,207
		23,290	23,578
Current assets			
Inventories		11,377	19,816
Trade receivables		62,939	29,998
Other receivables, deposits and prepayments		11,665	9,909
Contract assets		27,998	22,356
Short term investments		25,166	10,103
Fixed deposits with financial institutions		27,780	23,392
Cash and bank balances		27,393	27,462
		194,318	143,036
Total assets	_	217,608	166,614
Equity			
Share capital		98,403	59,842
Reorganisation reserve		(25,261)	(25,261)
Retained earnings		51,883	46,269
Notained editings		125,025	80,850
Non-controlling interest		1,095	364
Total equity		126,120	81,214
i otai equity		120,120	01,214



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Interim Financial Report For The Third Quarter Ended 31 December 2020



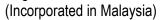
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020(1)

	Note	Unaudited As At 31/12/2020 RM'000	Audited As At 31/3/2020 RM'000
Non-current liabilities			
Bank borrowings	B7	3,062	3,278
Lease liabilities	B7	5,650	3,214
Redeemable preference shares		5,382	5,011
Trade payables		598	598
Contract liabilities		68	1,680
	·	14,760	13,781
Current liabilities Trade payables Other payables and accruals Provisions Dividend payables Bank borrowings Lease liabilities Contract liabilities Current tax liabilities	B7 B7	45,490 2,854 769 4,226 5,767 1,542 12,780 3,300 76,728	43,422 2,882 769 - 7,578 1,225 15,603 140 71,619
Total liabilities	-	91,488	85,400
Total equity and liabilities	-	217,608	166,614
Number of ordinary shares in issue ('000)		422,624	390,624
Net assets per share attributable to Owners of the Company (RM)		0.30	0.21

⁽¹⁾ The Unaudited Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

^{*} Represent less than 1000



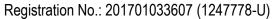


Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

		Individual 3 months		Cumulative Quarter 9 months ended		
	Note	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	
Revenue	Note	70,213	62,120	161,126	202,084	
Cost of sales	_	(58,502)	(50,743)	(135,321)	(173,707)	
Gross Profit		11,711	11,377	25,805	28,377	
Other income		1,268	619	1,909	968	
Administrative expenses		(5,087)	(4,895)	(11,802)	(11,608)	
Sales and distribution expenses		(197)	(330)	(430)	(1,093)	
Listing expenses	_	<u>-</u>	(1,561)		(1,902)	
Profit from operations		7,695	5,210	15,482	14,742	
Finance costs	_	(530)	(376)	(1,324)	(1,102)	
Profit before taxation		7,165	4,834	14,158	13,640	
Taxation	B5 _	(1,870)	(532)	(3,999)	(1,537)	
Profit for the financial period		5,295	4,302	10,159	12,103	
Other comprehensive loss:						
Foreign currency translation differences		(4)	-	(4)	-	
Total comprehensive income for the financial period	<u>-</u>	5,291	4,302	10,155	12,103	



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Interim Financial Report For The Third Quarter Ended 31 December 2020



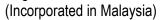
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

		Individua 3 months		Cumulative Quarter 9 months ended		
	Note	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	
Profit for the financial period attributable to:						
Owners of the Company		5,027	3,978	9,840	11,851	
Non-controlling interest		268	324	319	252	
	•	5,295	4,302	10,159	12,103	
Total comprehensive income for the financial period attributable to:						
Owners of the Company		5,027	3,978	9,840	11,851	
Non-controlling interest		264	324	315	252	
	:	5,291	4,302	10,155	12,103	
Earnings per share attributable to Owners of the Company (sen)						
- Basic ⁽²⁾	B10	1.25	1.20	2.49	5.89	

⁽¹⁾ The Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

⁽²⁾ Based on the weighted average number of ordinary shares outstanding during the financial period under review.





Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

	Non-distributable		Distributable	Equity	v			
	Share <u>capital</u> RM'000	Reorganisation <u>reserve</u> RM'000	Retained <u>earnings</u> RM'000	attributable to Owners of the Company RM'000	Non- controlling <u>interest</u> RM'000	Total equity RM'000		
Balance as at 1 April 2019	1,000	-	30,680	31,680	(6)	31,674		
Impact on adopting of MFRS 16 in retained earnings	-	-	(74)	(74)	-	(74)		
Profit for the financial period	-	-	11,851	11,851	252	12,103		
Transaction with owners: Acquisition of subsidiaries in business combination under common control	25,261	(25,261)	-	-	-	-		
Issuance of share capital to non-controlling interest of subsidiary	-	-	-	-	59	59		
Issuance of shares	34,590	-	-	34,590	-	34,590		
Share issue expenses	(1,009)	-	-	(1,009)	-	(1,009)		
Balance as at 31 December 2019	59,842	(25,261)	42,457	77,038	305	77,343		



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Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020⁽¹⁾ (CONT'D)

(OORT D)		Non-distributable			Distributable				
	<u>Share</u> <u>capital</u> RM'000	Reorganisation reserve RM'000	Currency translation <u>reserve</u> RM'000	Retained <u>earnings</u> RM'000	Equity attributable to Owners of the Company RM'000	Non- controlling <u>interest</u> RM'000	Total equity RM'000		
Balance as at 1 April 2020	59,842	(25,261)	-	46,269	80,850	364	81,214		
Profit for the financial period	-	-	-	9,840	9,840	319	10,159		
Currency translation differences for foreign operation			*			(4)	(4)		
Comprehensive income for the financial period	-	-	*	9,840	9,840	315	10,155		
Dividend	-	-	-	(4,226)	(4,226)	-	(4,226)		
Acquisition of a subsidiary	-	-	-	-	-	416	416		
Issuance of shares	38,720	-	-	-	38,720	-	38,720		
Share issue expenses	(159)	-	-	-	(159)	-	(159)		
Balance as at 31 December 2020	98,403	(25,261)	*	51,883	125,025	1,095	126,120		

⁽¹⁾ The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes are an integral part of this interim financial report.

^{*} Represent less than 1000



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Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

	Unaudited 9 months ended		
	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	
Cash Flows from Operating Activities			
Profit before taxation	14,158	13,640	
Adjustments for:			
Amortisation of intangible assets	101	99	
Depreciation of property, plant and equipment	1,792	1,517	
Depreciation of investment properties	15	38	
Finance costs	1,324	1,102	
Finance income	(556)	(410)	
Gain on disposal of property, plant and equipment	(*)	(*)	
Provision of defects liability	-	200	
Reversal of impairment losses on trade receivables	(519)	-	
Unrealised gain on foreign exchange	(445)	(388)	
Write off of property, plant and equipment _	153	-	
Operating profit before working capital changes	16,023	15,798	
Changes in working capital			
Decrease/(Increase) in inventories	8,439	(7,111)	
Increase in trade and other receivables, deposits and prepayments	(30,588)	(45,294)	
(Increase)/Decrease in contract assets	(5,642)	3,487	
Increase in trade and other payables, accruals and provision	2,171	15,704	
(Decrease)/Increase in contract liabilities	(4,447)	13,170	
Cash used in operations	(14,044)	(4,246)	
Finance costs paid	(817)	(765)	
Interest income received	343	352	
Tax paid	(766)	(689)	
Tax refund _	<u>-</u> -	1,342	
Net cash used in operating activities	(15,284)	(4,006)	



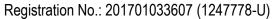
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Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

	Unaudited 9 months ended		
	31/12/2020 ⁽¹⁾ RM'000	31/12/2019 RM'000	
Cash Flows from Investing Activities			
Acquisition of subsidiary, net of cash and cash equivalents acquired	740	-	
Acquisition of intangible assets	-	(6)	
Purchase of property, plant & equipment	(1,897)	(418)	
Proceeds from disposal of property plant & equipment	108	1	
Proceeds from disposal of other investment	(*)	-	
Proceeds from discount received of intangible assets	<u> </u>	40	
Net cash used in investing activities	(1,049)	(383)	
Cash Flows from Financing Activities			
Increase in fixed deposits pledged	(6,000)	(1,875)	
Placement into sinking fund for banking facilities	-	(163)	
Net repayment of local bill purchase	-	(6,583)	
Changes on banker's acceptances	(105)	4,980	
Drawdown of finance lease liabilities	-	313	
Repayment of finance lease liabilities	(558)	(514)	
Repayment of lease liabilities	(424)	(205)	
Repayment of term loans	(223)	(1,027)	
Share issue expenses	(159)	(1,009)	
Proceeds from issue of share capital	38,720	34,649	
Net cash from financing activities	31,251	28,566	
Net increase in cash and cash equivalents	14,918	24,177	
Effect of foreign exchange rate changes	(4)	-	
Cash and cash equivalents as at beginning of financial year	44,076	12,854	
Cash and cash equivalents as at end of financial period	58,990	37,031	



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Interim Financial Report For The Third Quarter Ended 31 December 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020(1)

	Unaudited			
	9 months ended 31/12/2020 ⁽¹⁾ 31/12/2019			
	31/12/2020 ⁽¹⁾			
	RM'000	RM'000		
Cash and cash equivalents at the end				
of financial period comprise:				
Cash and bank balances	27,393	19,558		
Fixed deposits with financial institutions	27,780	20,138		
	55,173	39,696		
Less: Fixed deposits pledged	(16,450)	(10,110)		
Less: Sinking fund account	(1,500)	(1,500)		
Less: Bank overdraft	(3,399)	(1,074)		
Add: Short term investments	25,166	10,019		
	58,990	37,031		

⁽¹⁾ The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes are an integral part of this interim financial report.

^{*} Represent less than 1,000

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Interim Financial Report For The Third Quarter Ended 31 December 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of Solarvest Holdings Berhad ("Solarvest" or "the Company") and its subsidiaries (collectively known as "the Group") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRSs") 134 Interim Financial Reporting and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes in this interim financial report.

A2. Significant accounting policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2020, except for the following:

(a) Effective for annual period beginning on or after 1 January 2020

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material

The adoption of the above amendments and interpretations did not have significant impact on the Group financial statements.

(b) Effective for annual period beginning on or after 1 June 2020

- Amendments to MFRS 16 Lease: Covid-19- Related Rent Concessions

(c) Effective for annual period beginning on or after 1 January 2021

- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A2. Significant accounting policies (Cont'd)

(d) Effective for annual period beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment -Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018–2020

The Group has not applied the above amendments and interpretations as they have yet to be effective.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2020.

A4. Seasonal or cyclical factors

The business operations of the Group were not affected by seasonal or cyclical factors.

A5. Material Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A6. Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. Debt and equity securities

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

On 26 November 2020, the Company increased its number of shares from 390,623,655 to 422,623,655 by way of issuance of 32,000,000 new ordinary shares pursuant to the Private Placement at an issue price of RM1.21 per placement share.

A8. Dividend Paid

There is no dividend paid in the current quarter under review.



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Interim Financial Report For The Third Quarter Ended 31 December 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting

The Group's operating activities were derived from four (4) main business segments, namely the following:-

Unaudited Cumulative quarter 31/12/2019	Investment <u>Holding</u> RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar <u>energy</u> RM'000	Others(1) RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	-	197,722	924	1,339	2,099	-	202,084
Inter-segment revenue	-	12,286	36	-	-	(12,322)	-
		210,008	960	1,339	2,099	(12,322)	202,084
Results							
Segment result	(2,467)	16,649	618	1,144	100	-	16,044
Interest income	69	283	-	-	-	-	352
Interest expenses	-	(970)	-	(132)	-	-	(1,102)
Depreciation and amortization	-	(1,428)	-	(226)	-	-	(1,654)
Profit before tax	(2,398)	14,534	618	786	100	-	13,640

⁽¹⁾ Being one off project management of electrical and fire protection works for the Group's related party and third party.



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Interim Financial Report For The Third Quarter Ended 31 December 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting (Cont'd)

The Group's operating activities were derived from four (4) main business segments, namely the following (Cont'd):-

Unaudited Cumulative quarter 31/12/2020	Investment <u>Holding</u> RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar energy RM'000	Others(1) RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	-	154,783	1,341	1,201	3,801	-	161,126
Inter-segment revenue	_	25,729	435	-	-	(26,164)	-
		180,512	1,776	1,201	3,801	(26,164)	161,126
Results							
Segment result	(705)	15,821	586	1,018	114	-	16,834
Interest income	280	276	-	-	-	-	556
Interest expenses	-	(1,236)	-	(88)	-	-	(1,324)
Depreciation and amortization	-	(1,685)	-	(223)	-	-	(1,908)
Profit before tax	(425)	13,176	586	707	114	_	14,158

Being one off project management of electrical and telephone services for the Group's third party and money lending services which no activities were recorded for the period under review.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

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

A11. Changes in the composition of the Group

- (i) The Company had on 17 December 2020 incorporated a 99.99% owned subsidiary company in Philippines with the name Solarvest Corp. (2020120004375-05) with total issued and paid-up share capital of PHP9,726,801 comprising of 9,726,805 ordinary shares. The intended principal activity of Solarvest Corp. is engaged in the business of importation, marketing, sale and distribution of solar photovoltaics and related services.
- (ii) On 28 January 2021, Solarvest (Taiwan) Corporate Limited ("Solarvest Taiwan"), a wholly-owned subsidiary of Solarvest Energy Sdn Bhd has subscribed an additional 400,000 ordinary shares in the capital of Solarvest Taiwan. Currently, the total issued and paid-up share capital of Solarvest Taiwan is NT\$5,000,000 comprising of 500,000 ordinary shares.

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

A12. Contingent liabilities and contingent assets

There were no contingent assets as at the date of this interim financial report. Contingent liabilities of the Group were as follows: -

Secured	Unaudited RM'000
Bank guarantees for performance, workmanship security bond and advance	
payment bond provided to customers	32,556

A13. Corporate Guarantees

	Unaudited RM'000
Corporate guarantees given to licensed banks for credit facilities granted to	
related companies.	62,089

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A14. Capital commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 December 2020 is as follows:

	Unaudited RM'000
Property, plant and equipment	
Contracted but not provided for	214

A15. Significant Related Party Transactions

Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current financial period ended 31 December 2020 were as follows: -

Transaction with companies in which the Directors or substantial shareholders have financial interest:	Unaudited RM'000
Revenue from operation & maintenance servicesRevenue from installation of solar photovoltaic system	21 36

These transactions have been entered into in the normal course of business.

A16. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial period under review.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Performance

	Quarte			
	31/12/2020	31/12/2019		
	("Q3/21")	("Q3/20")	Variance	
	RM'000	RM'000	RM'000	(%)
Revenue	70,213	62,120	8,093	13.03
Profit before tax	7,165	4,834	2,331	48.22
Profit after tax	5,295	4,302	993	23.08

Comparison between Q3/21 with Q3/20

For the quarter under review, the Group's revenue increased by RM8.09 million or 13.03% as compared to preceding year quarter ended 31 December 2019. The higher revenue was mainly contributed by increase in revenue generated from commercial and industrial business segment following the easing of movement restrictions and resumption of works at sites.

The Group's profit before tax increased by RM2.33 million or 48.22% as compared to preceding year quarter ended 31 December 2019 due to higher gross profit contributed by commercial and industrial business segment.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B1. Review of Group's Performance (Cont'd)

	Year-to	o-date		
	31/12/2020 ("3Q/FY21")	31/12/2019 ("3Q/FY20")	Variance	
	RM'000	RM'000	RM'000	(%)
Revenue	161,126	202,084	(40,958)	-20.27
Profit before tax Profit after tax	14,158 10,159	13,640 12,103	518 (1,944)	3.80 -16.06

Comparison between 3Q/FY21 with 3Q/FY20

The Group recorded revenue of RM161.13 million in 3Q/FY21 as compared to the corresponding preceding period 3Q/FY20 of RM202.08 million. The decrease of RM40.96 million or 20.27% was mainly due to COVID-19 pandemic, Movement Control Order (MCO) and Conditional MCO (CMCO) implemented by the government which have resulted in the suspension of works at sites and most large-scale solar projects have been completed.

The slight increase in profit before tax was contributed by reversal of impairment losses on trade receivables.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Comparison with immediate preceding quarter's results

	Quarter	· Ended		
	31/12/2020	30/9/2020	Varia	ance
	RM'000	RM'000	RM'000	(%)
Revenue	70,213	62,163	8,050	12.95
Profit before tax	7,165	5,708	1,457	25.53
Profit after tax	5,295	4,066	1,229	30.23

The Group's revenue for the current financial quarter ended 31 December 2020 increased by RM8.05 million or 12.95% to RM70.21 million as compared to RM62.16 million in the preceding quarter ended 30 September 2020. The increase in revenue were mainly due to the site progress of the existing on-going projects back to its normal level and also increase in revenue generated from Operations & Maintenance segment.

This has also resulted in the increase of profit before taxation of the Group by RM 1.46 million or 25.53% from RM 5.71 million recorded in the preceding quarter as compared to RM 7.17 million in the current quarter.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B3. Commentary on prospects

The outlook for the solar photovoltaic ("PV") industry in Malaysia is optimistic and the Malaysian Government is committed to support the growth of PV solar industry by setting a target for electricity generated from renewable energy at 20% of all power generated. The total solar PV installed capacity in Malaysia stood at 438MWp in 2018, and is targeted to grow to 3,322MW by 2023. Tax incentives aimed at boosting the Malaysian green economy which was tabled in the recent Budget 2020 were also in line with the Government's commitment.

The Ministry of Energy and Natural Resources (KeTSA) via the Energy Commission (EC) has opened a competitive bidding process under Large Scale Solar programme by Malaysia Electricity Industry to Attract Renewable Energy Investment (LSS@MenTARI) starting on 31 May 2020.

Under LSS@MenTARI, 1,000 megawatts (MW) of solar quota will be offered through the bidding process, and is open to fully-owned local companies or with at least 75 percent local shareholding for companies listed on Bursa Malaysia. The quota offered is the biggest under the LSS programme. The move is aimed at reviving as well as stimulating the economy that is affected by the COVID-19 pandemic. Through this program, it will generate RM4 billion investment and create 12,000 job opportunities. Such development bodes well for the Group. The solar power plants under LSS@MenTARI programme are expected to start operating latest by Dec 31, 2023.

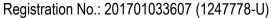
The Group is looking forward in securing more projects with the launch of LSS@MenTARI as mentioned above. In addition to that, the uptake and demand for solar energy remains robust as businesses are intensifying its environmental, social and governance efforts. With the roll out of NEM 3.0 programme, injecting approximately 500MW fresh new quotas in 2021, the solar industry is set to experience a busy year ahead.

The Group will also continuously bid for new contracts to replenish its order book. For the period under review, the unbilled order book stood at RM197.48 million which will contribute progressively to the Group's revenue until the financial year ending 31 March 2021.

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

B4. Profit Forecast

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



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B5. Taxation

	Unaudited 3 months ended		Unaudi 9 months	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Income tax	4.045	0.47	0.047	4 400
CurrentOver provision in	1,915	617	3,947	1,433
prior year	(22)	(92)	(22)	(92)
	1,893	525	3,925	1,341
Deferred tax				
- Current	(23)	7	74	196
	1,870	532	3,999	1,537
Effective tax rates	26.1%	11.0%	28.2%	11.3%

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

Income tax for the period under review is higher compared to the previous corresponding period due to the tax exemption granted by MIDA to Solarvest Energy Sdn Bhd, Powertrack Sdn Bhd and Solarvest Energy (SR) Sdn Bhd which have expired for the year of assessment 2020.

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B6. Status of corporate proposals and utilisation of proceeds

1) Use of proceeds from the Initial Public Offering ("IPO")

The gross proceeds of RM34.59 million raised from the Public Issue and status of utilisation as at 31 December 2020 are as follows:

<u>Utili</u>	sation of proceeds	Estimated timeframe for utilisation from <u>Listing</u>	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilisation %
(i)	Business expansion	Within 24 months	3,000	1,302	43.40
(ii)	Capital expenditure	Within 18 months	4,000	315	7.88
(iii)	Working capital	Within 24 months	19,190	17,218	89.72
(iv)	Repayment of bank borrowings	Within 3 months	5,000	5,000	100.00
(v)	Estimated listing expenses	Within 1 month	3,400	3,400	100.00
	- '		34,590	27,235	78.74

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

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

2) Use of proceeds from the Private Placement exercise ("Private Placement")

The actual proceeds of RM38.72 million raised from the Private Placement and status of utilisation as at 31 December 2020 are as follows:

<u>Utili:</u>	sation of proceeds	Timeframe for utilisation from listing date of the Private Placement Shares	Actual Proceeds <u>raised</u> RM'000	Actual utilisation RM'000	Percentage utilisation %
(i)	Investment in solar photovoltaic	M	22 522(1)		0.00
	projects	Within 30 months	$30,500^{(1)}$	-	0.00
(ii) (iii)	Working capital ⁽²⁾ Estimated expenses for the	Within 24 months	8,030(1)	1,149	14.31
	Private Placement	Within 1 month	190(1)	190	100.00
			38,720	1,339	3.46

- (1) Allocated proportionately based on the gross proceeds raised as disclosed in the Private Placement announcement dated 13 August 2020 and 15 October 2020.
- (2) For the Group's daily operations including the additional working capital requirements for future commercial and industrial projects such as tender deposits and tender bonds, purchase of materials as well as expansion of office space including upkeep or renovation/refurbishment of existing or new offices.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Status of corporate proposals and utilisation of proceeds (con't)

3) Status of Corporate Proposals

Save as disclosed below, there was no corporate proposal announced by the Company, the implementation of which is still pending:

I. Proposed Private Placement and Proposed Employees' Share Option Scheme

On 13 August 2020, the Company announced to undertake the following proposals:

- (a) Proposed private placement of up to 78,124,731 new ordinary shares in Solarvest, representing up to 20% of the existing issued and paid-up share capital of Solarvest ("Proposed Private Placement"); and
- (b) Proposed establishment of an employees' share option scheme involving up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of Solarvest and its subsidiaries ("Proposed ESOS").

Bursa Malaysia Securities Berhad ("Bursa Securities") had via its letter dated 3 September 2020 and the shareholders of the Company had on 28 September 2020 approved the Proposed ESOS.

On 2 November 2020, Bursa Securities had approved the listing and quotation of new shares to be issued pursuant to the Proposed Private Placement. On 30 November 2020, 32,000,000 placement shares were listed on Bursa Securities.

II. On 1 September 2020, the Company announced that it proposed to transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

- B6. Status of corporate proposals and utilisation of proceeds (con't)
 - 3) Status of Corporate Proposals (con't)
 - III. Proposed Bonus Issue of Warrants and Proposed Bonus Issue of Shares

On 15 December 2020, the Company announced to undertake the following proposals:

- (a) Proposed bonus issue of 105,655,913 warrants on the basis of 1 warrant for every 4 existing ordinary shares in Solarvest held on an entitlement date to be determined later ("Proposed Bonus Issue of Warrants"); and
- (b) Proposed bonus issue of up to 264,139,784 new Solarvest shares on the basis of 1 bonus shares for every 2 existing Solarvest shares held on an entitlement date to be determined after completion of the Proposed Bonus Issue of Warrants ("Proposed Bonus Issue of Shares").

Bursa Securities and the shareholders of the Company had on 13 January 2021 and 5 February 2021 approved the Proposed Bonus Issue of Warrants and Proposed Bonus Issue of Shares respectively. The entitlement date of the Proposed Bonus Issue of Warrants was fixed at 23 February 2021 and the warrants is expected to be listed on 8 March 2021.

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Unaudited

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B7. Borrowings

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

	9 months ended		
Secured	31/12/2020 RM'000	31/12/2019 RM'000	
Current liabilities	INII 000	IXIII OOO	
Lease liabilities	748	723	
Bank overdraft	3,399	1,074	
Term loans	266	1,049	
Banker acceptance	2,102	4,980	
	6,515	7,826	
Non-current liabilities			
Lease liabilities	978	782	
Term loans	3,062	4,832	
	4,040	5,614	
Non-secured Current liabilities		_	
Lease liabilities	794	221	
Non-current liabilities	4.070	4.007	
Lease liabilities	4,672	1,987	
Total borrowings	16,021	15,648	

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

B8. Material Litigation

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

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B9. Dividend Proposed

On 4 December 2020, the Company declared an interim dividend of 1.0 sen per ordinary share amounting to RM4,226,236.55 for the financial year ending 31 March 2021. The entitlement date for the interim dividend was 30 December 2020 and paid on 21 January 2021.

B10. Earnings Per Share ("EPS")

The basic EPS is calculated based on the Group's profit after taxation attributable to owners of the Company divided by the weighted average number of ordinary shares in issued during the financial period.

	Unaudited 3 months ended		Unaudited 9 months ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Profit after tax attributable to owners of the Company (RM'000)	5,027	3,978	9,840	11,851
Weighted average number of ordinary shares in issue ('000)	403,145	331,593	394,813	201,124
Basic EPS (sen)	1.25	1.20	2.49	5.89

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B11. Profit Before Tax

	Unaudited 3 months ended 31/12/2020 31/12/2019			udited ns ended <u>31/12/2019</u>
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets Auditors' remuneration	34	34	101	99
- under provision in prior year	-	40	-	40
- current year	39	33	148	99
Bad debts recovered	(5)	(17)	(5)	(17)
Depreciation of property, plant and				
equipment	649	499	1,792	1,517
Depreciation of investment				
properties				
- freehold building	5	13	15	38
Gain on disposal of property, plant				
and equipment	-	(*)	(*)	(*)
Interest expenses	530	376	1,324	1,102
Interest income	(169)	(189)	(556)	(352)
Provision of defects liability	-	-	-	200
Realised (gain)/loss on foreign				
exchange	(38)	435	448	578
Rental expenses	160	94	376	248
Rental income	(29)	(19)	(108)	(108)
Reversal of impairment losses on				
trade receivables	(200)	-	(519)	-
Unrealised gain on foreign exchange	(445)	(777)	(1,009)	(388)
Write off of property, plant and equipment	72	-	153	-

^{*} Represent less than 1,000



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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B12. Comparative Figures

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

BY ORDER OF THE BOARD 25 February 2021