



**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 30 JUNE 2023**

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽¹⁾

	Unaudited As At 30/06/2023 RM'000	Audited As At 31/3/2023 RM'000
	Note	
Non-current assets		
Property, plant and equipment	182,421	168,556
Investment properties	2,376	2,387
Investment in an associate	644	624
Intangible assets	26	60
Deferred tax assets	1,153	1,138
Trade receivables	1,466	1,456
	<hr/> 188,086	<hr/> 174,221
Current assets		
Inventories	49,685	20,992
Trade receivables	103,139	86,268
Other receivables, deposits and prepayments	35,430	23,515
Contract cost	455	313
Contract assets	117,528	94,084
Current tax assets	229	870
Short term investments	12	12
Fixed deposits with financial institutions	27,988	31,167
Cash and bank balances	40,562	41,391
	<hr/> 375,028	<hr/> 298,612
Non-current asset held for sale	1,442	1,442
	<hr/> 376,470	<hr/> 300,054
Total assets	<hr/> 564,556	<hr/> 474,275
Equity		
Share capital	133,062	133,062
Reorganisation reserve	(25,262)	(25,262)
Reserves	1,711	836
Retained earnings	91,530	84,653
	<hr/> 201,041	<hr/> 193,289
Non-controlling interests	4,153	4,144
Total equity	<hr/> 205,194	<hr/> 197,433

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽¹⁾

		Unaudited As At 30/06/2023 RM'000	Audited As At 31/3/2023 RM'000
	Note		
Non-current liabilities			
Bank borrowings	B7	112,657	87,522
Lease liabilities		17,235	17,692
Redeemable preference shares		6,831	6,672
Deferred tax liabilities		-	1
		<u>136,723</u>	<u>111,887</u>
Current liabilities			
Trade payables		127,285	104,642
Other payables and accruals		4,400	3,571
Provisions		1	1
Bank borrowings	B7	40,272	17,348
Lease liabilities		1,916	1,940
Contract liabilities		48,765	37,453
		<u>222,638</u>	<u>164,955</u>
Total liabilities		<u>359,362</u>	<u>276,842</u>
Total equity and liabilities		<u>564,556</u>	<u>474,275</u>
Number of ordinary shares in issue ('000)		667,554	667,554
Net assets per Share (RM)		0.31	0.30

- (1) The Unaudited Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000	Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000
Revenue		143,389	52,660	143,389	52,660
Cost of sales		<u>(123,695)</u>	<u>(39,736)</u>	<u>(123,695)</u>	<u>(39,736)</u>
Gross profit		19,694	12,924	19,694	12,924
Other income		210	401	210	401
Administrative expenses		(8,525)	(6,493)	(8,525)	(6,493)
Sales and distribution expenses		<u>(496)</u>	<u>(391)</u>	<u>(496)</u>	<u>(391)</u>
Profit from operations		10,883	6,441	10,883	6,441
Finance costs		(1,482)	(679)	(1,482)	(679)
Share of results of an associate		<u>19</u>	<u>(15)</u>	<u>19</u>	<u>(15)</u>
Profit before taxation		9,420	5,747	9,420	5,747
Taxation	B5	<u>(2,836)</u>	<u>(1,414)</u>	<u>(2,836)</u>	<u>(1,414)</u>
Profit for the financial period		6,584	4,333	6,584	4,333

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000	Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000
Other comprehensive income :					
Foreign currency translation differences		302	63	302	63
Total comprehensive income for the financial period		<u>6,886</u>	<u>4,396</u>	<u>6,886</u>	<u>4,396</u>
Profit for the financial period attributable to:					
Owners of the Company		6,701	4,281	6,701	4,281
Non-controlling interest		<u>(117)</u>	<u>52</u>	<u>(117)</u>	<u>52</u>
		<u>6,584</u>	<u>4,333</u>	<u>6,584</u>	<u>4,333</u>

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000	Unaudited 30/06/2023 ⁽¹⁾ RM'000	Unaudited 30/06/2022 RM'000
Total comprehensive income for the financial period attributable to:					
Owners of the Company		6,877	4,318	6,877	4,318
Non-controlling interest		<u>9</u>	<u>78</u>	<u>9</u>	<u>78</u>
		<u>6,886</u>	<u>4,396</u>	<u>6,886</u>	<u>4,396</u>
Earnings per Share attributable to Owners of the Company (sen)					
- Basic ⁽²⁾	B10	1.00	0.64	1.00	0.64
- Diluted ⁽³⁾	B10	0.99	0.64	0.99	0.64

(1) The Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

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

(3) Based on the weighted average number of ordinary shares adjusted on the assumption that the employees' share options and/or warrants issued are fully exercised into ordinary shares.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾

	-----Non-distributable-----				Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Employee share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000		
Balance as at 1 April 2023	133,062	(25,262)	836	(103)	84,756	193,289	4,144	197,433
Profit for the financial period	-	-	-	-	6,701	6,701	(117)	6,584
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	176	-	176	126	302
Total comprehensive income for the financial period	-	-	-	176	6,701	6,877	9	6,886
Balance carried forward	133,062	(25,262)	836	73	91,457	200,166	4,153	204,319

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)

	-----Non-distributable-----				Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Employee share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000		
Balance brought forward	133,062	(25,262)	836	73	91,457	200,166	4,153	204,319
Contributions by and distributions to owners of the Company:								
- Employees' share options expenses	-	-	875	-	-	875	-	875
Total transactions with owners	-	-	875	-	-	875	-	875
Balance as at 30 June 2023	133,062	(25,262)	1,711	73	91,457	201,041	4,153	205,194

The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes are an integral part of this interim financial report.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)

	-----Non-distributable-----			Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000		
Balance as at 1 April 2022	133,062	(25,262)	(2)	65,095	172,893	2,748	175,641
Profit for the financial period	-	-	-	4,281	4,281	52	4,333
Currency translation differences for foreign operations	-	-	37	-	37	26	63
Comprehensive income for the financial period	-	-	37	4,281	4,318	78	4,396
Balance as at 30 June 2022	133,062	(25,262)	35	69,376	177,211	2,826	180,037

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾

	3 months ended	
	30/06/2023 ⁽¹⁾ RM'000	30/06/2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	9,420	5,747
Adjustments for:		
Amortisation of intangible assets	34	34
Depreciation of property, plant and equipment	991	873
Depreciation of investment properties	11	11
Employees' share options expenses	875	-
Finance costs	1,482	679
Finance income	(174)	(119)
Gain on disposal of property, plant and equipment	-	(71)
Share of net profits of equity accounted associates	(19)	-
Unrealised loss on foreign exchange	178	586
Other adjustments	5	10
Operating profit before working capital changes	12,803	7,750
Changes in working capital		
Increase in inventories	(28,693)	(3,167)
Increase in trade and other receivables, deposits and prepayments	(28,796)	(17,735)
Increase in contract assets	(23,586)	(6,860)
Increase in trade and other payables, accruals and provision	23,295	8,521
Increase in contract liabilities	11,311	21,803
Cash (used in)/generated from operations	(33,666)	10,312
Finance costs paid	(1,151)	(527)
Interest income received	174	18
Tax paid	(2,210)	(993)
Net cash (used in)/generated from operating activities	(36,853)	8,810

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾

	3 months ended	
	30/06/2023 ⁽¹⁾	30/06/2022
	RM'000	RM'000
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(14,798)	(2,139)
Proceeds from disposal of property plant & equipment	-	71
Net cash used in investing activities	<u>(14,798)</u>	<u>(2,068)</u>
Cash Flows from Financing Activities		
Withdrawal from/(placement into) fixed deposits pledged	2,495	(607)
Withdrawal from/(placement into) sinking fund for banking facilities	2,625	(381)
Net drawdown of invoice financing	14,756	-
Drawdown of term loan financing	25,189	-
Net (repayment)/drawdown of banker's acceptances	(1,254)	15,980
Repayment of lease liabilities	(718)	(413)
Repayment of term loans	(49)	(79)
Net cash generated from financing activities	<u>43,044</u>	<u>14,500</u>
Net decrease in cash and cash equivalents	(8,607)	(21,242)
Effect of foreign exchange rate changes	302	63
Cash and cash equivalents as at beginning of financial year	36,794	28,028
Cash and cash equivalents as at end of financial period	<u><u>28,489</u></u>	<u><u>49,333</u></u>

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2023⁽¹⁾

	3 months ended	
	30/06/2023 ⁽¹⁾	30/06/2022
	RM'000	RM'000
Cash and cash equivalents at the end of financial period comprise:		
Cash and bank balances	40,562	52,973
Fixed deposits with financial institutions	27,988	25,745
	<hr/>	<hr/>
	68,988	78,718
Less: Fixed deposits pledged	(27,988)	(25,745)
Less: Sinking fund account	(27)	(3,652)
Less: Revolving credit	(9,417)	-
Less: Restricted cash at bank	(2,641)	-
Add: Short term investments	12	-
	<hr/>	<hr/>
	28,489	49,333
	<hr/> <hr/>	<hr/> <hr/>

- (1) The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes are an integral part of this interim financial report.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

A1. Basis of preparation

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

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

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

A2. Significant accounting policies

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

MFRS 17 Insurance Contracts

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

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A2. Significant accounting policies (Cont'd)**Standard and Amendments in Issue But Not Yet Effective**

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

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

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

b) Effective date deferred to a date to be determined and announced

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between Investor and Its Associate or Joint Venture

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

A3. Auditors' report

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

A4. Seasonal or cyclical factors

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

A5. Material Unusual items

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

A6. Material changes in estimates

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

A7. Debt and equity securities

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

A8. Dividend Paid

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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting

The Group's operating segments are classified according to the nature of activities as follows: -

- | | |
|--|--|
| Investment holding | : Management, provision of financial services to companies within the Group, as well as holdings of investments in the shares of subsidiaries and other investments. |
| Engineering, procurement, construction and commissioning ("EPCC") of solar energy solution | : Turnkey EPCC services in solar energy solution to customers in three categories: residential, commercial and industrial (roof-top projects) and large scale solar energy producers. |
| Operations and maintenance ("O&M") of solar energy system | : Warranty of between 2 to 5 years to customer for workmanship defects, performance monitoring and on-site support and repair to ensure optimal operation of solar energy system installation. |
| Sales of electricity through solar energy | : Sales of electricity generated through its self-constructed solar plant to electric utility company, Tenaga National Berhad under a 21-year renewable energy power purchase agreement and also to other third party. |
| Others | : Other segments comprise one off project management of electrical and telephone services. |

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting (Cont'd)

Unaudited Cumulative quarter 30/06/2023	Investment holding RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar energy RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	-	140,724	1,571	711	383	-	143,389
Inter-segment revenue	-	14,018	575	-	-	(14,593)	-
	-	154,742	2,146	711	383	(14,593)	143,389
Results							
Segment results	(472)	11,116	626	570	(76)	-	11,764
Interest income	-	174	-	-	-	-	174
Interest expenses	-	(1,455)	-	(27)	-	-	(1,482)
Depreciation and amortisation	-	(948)	-	(88)	-	-	(1,036)
Profit before tax	(472)	8,887	626	455	(76)	-	9,420

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A9. Segmental Reporting (Cont'd)

Unaudited Cumulative quarter 30/06/2022	Investment holding RM'000	EPCC of solar energy solution RM'000	O&M of solar energy system RM'000	Sale of electricity through solar energy RM'000	Others⁽¹⁾ RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	2	50,842	1,099	400	317	-	52,660
Inter-segment revenue	-	3,800	1,978	-	-	(5,778)	-
	2	54,642	3,177	400	317	(5,778)	52,660
Results							
Segment results	(171)	6,287	686	420	3	-	7,225
Interest income	-	119	-	-	-	-	119
Interest expenses	-	(651)	-	(28)	-	-	(679)
Depreciation and amortisation	-	(860)	-	(58)	-	-	(918)
Profit before tax	(171)	4,895	686	334	3	-	5,747

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

There were no material events subsequent to the end of the current financial quarter up to this interim financial report, save as below:-

The Company had on 28 Jul 2023 incorporated a wholly-owned subsidiary company Solarvest Global Assets Pte. Ltd ("SGA"), with a total issued share capital of SGD100 comprising of 100 ordinary shares. The intended principal activity of SGA is investment holding company.

A11. Changes in the composition of the Group

On 4 May 2023, Solarvest Asset Management Sdn. Bhd. ("SAM"), a wholly-owned subsidiary of the Company acquired 850,000 ordinary shares of RM1.00 each in Pelita Energy Sdn. Bhd. ("PESB") for a total cash consideration of RM900,000. Upon completion of the acquisition, PESB became a wholly-owned subsidiary of SAM. The principal activity for PESB is owning renewable energy assets with long term power purchase agreements.

There were no material changes in the composition of the Group during the current financial quarter 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	RM'000
Bank guarantees for bid bond, performance guarantee and warranty bond provided to statutory body/customers/third parties	97,946

A13. Corporate Guarantees

	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	326,338

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

A14. Capital commitments

The amount of capital commitments as at end of current quarter are as follows:

	RM'000
<i>Plant and equipment</i>	
Contracted but not provided for	2,431

A15. Significant Related Party Transactions

Our Group's transactions with companies in which our directors or major shareholders have an interest during the financial period ended 30 June 2023 were as follows: -.

	RM'000
Transaction with companies in which the Directors or major shareholders have financial interest:	
- Revenue from operations & maintenance services	160
- Revenue from EPCC solar energy solutions	803

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

A16. Fair Value of Financial Liabilities

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

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

B1. Review of the Group's Performance

	Individual Quarter		Variance	
	30/06/2023 ("Q1/FY24") RM'000	30/06/2022 ("Q1/FY23") RM'000	RM'000	(%)
Revenue	143,389	52,660	90,729	172.29
Profit before tax	9,420	5,747	3,673	63.91
Profit after tax	6,584	4,333	2,251	51.95

Comparison between Q1/FY24 and Q1/FY23

For the quarter under review, the Group's revenue increased by RM90.73 million or 172.29% to RM143.39 million from RM52.66 million compared to the preceding year's quarter ended 30 June 2022. Profit before tax increased by RM3.67 million or 63.91% compared to Q1/FY23. The increase in revenue and profit before tax was mainly contributed by the higher revenue contribution from higher progress of large-scale solar projects ("LSS4 projects") as compared to the preceding year.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

B2. Comparison with immediate preceding quarter's results

	Individual Quarter		Variance	
	30/06/2023 RM'000	31/03/2023 RM'000	RM'000	(%)
Revenue	143,389	113,223	30,166	26.64
Profit before tax	9,420	7,624	1,796	23.56
Profit after tax	6,584	5,439	1,145	21.05

The Group's revenue for the current financial quarter ended 30 June 2023 increased by RM30.17 million or 26.64% to RM143.39 million compared to RM113.22 million in the preceding quarter ended 31 March 2023. The increase in revenue and profit before tax was mainly driven by higher revenue contribution from LSS4 projects.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B3. Commentary on prospects

The outlook for the renewal energy (“RE”) industry in Malaysia remains optimistic underpinned by the Government’s aggressive effort to increase its RE capacity to 70% of Malaysia’s total energy mix, (from 40% previously) with an aspiration to achieve net zero by 2050. Further, under the Malaysia Energy Transition Outlook 2023, the power sector is expected to increase its RE capacity to 31% by 2025 and 40% in 2035, with solar energy slated to become the dominant RE source in the system.

The Malaysian Government’s decision to allow the export of RE will enable the country to capitalise on the robust demand in the region, particularly Singapore where the demand for imported RE is the strongest in the region. The expected higher return from the RE export market will spur the installation of local RE generation capacity, which bode well for the local RE players. Pending details on the RE export framework from the government, the lifting of RE export ban present opportunity to the Group to explore new export markets and offer comprehensive RE solutions to clients beyond Malaysia.

Recently, the Group, via its wholly-owned subsidiaries, is part of the 3 consortiums that have been selected by the Energy Commission under the Corporate Green Power Programme (“CGPP”) as the solar power producer with a total generation capacity of nearly 90 MW. These 3 CGPP solar plants scheduled to be commissioned in 2025 will add to the current RE asset portfolio of the Group, contributing positively to its net earnings in the long run.

As at 30 June 2023, the unbilled order book stood at RM457 million, which will be progressively recognised in the financial years ending 31 March 2024 and 2025. The Group will continue to grow its order book, capitalising on the imminent awards of up to 800 MW CGPP projects, progressive roll-out of the 10 pilot catalyst projects under the National Energy Transition Roadmap (NETR), among others and remains upbeat on the industry outlook, underpinned by a robust job pipeline in private large-scale power plants, residential, commercial & industrial projects. Under the Powervest programme, the Group has secured a cumulative capacity of 83.6 megawatts from multiple corporate power purchase agreements, which is expected to contribute RM37 million annual recurrent revenue to the Group upon full completion within the next 12 to 18 months.

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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000
Income tax				
- Current	2,852	1,423	2,852	1,423
Deferred tax				
- Current	(16)	(9)	(16)	(822)
	<u>2,836</u>	<u>1,414</u>	<u>2,836</u>	<u>3,585</u>
Effective tax rates	30.11%	24.60%	30.11%	24.60%

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

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

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

Private Placement for the financial year ended 31 March 2021

The actual proceeds of RM34.80 million raised from the second and final tranche of the Private Placement on 31 July 2021 and 29 October 2021 and status of utilisation as at 30 June 2023 is as follows:

<u>Utilisation of proceeds</u>	<u>Timeframe for utilisation from listing date of the Private Placement Shares</u>	<u>Actual Proceeds raised RM'000</u>	<u>Actual utilisation RM'000</u>	<u>Percentage utilisation %</u>
(i) Investment in solar photovoltaic projects	Within 30 months	27,412 ⁽¹⁾	16,534	60.32
(ii) Working capital ⁽²⁾	Within 24 months	7,217 ⁽¹⁾	7,217	100.00
(iii) Estimated expenses for the Private Placement	Within 1 month	171 ⁽¹⁾	171	100.00
		<u>34,800</u>	<u>23,922</u>	<u>68.74</u>

(1) Allocated proportionately based on the gross proceeds raised as disclosed in the Private Placement announcements 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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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

2) Status of Corporate Proposals

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

B7. Borrowings

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

	As At 30/06/2023 RM'000	As At 31/3/2023 RM'000
Non-current liabilities		
Term loans	112,657	87,522
Current liabilities		
Term loans	329	324
Invoice financing	30,526	15,770
Banker's acceptance	-	1,254
Revolving credit	9,417	-
	<u>40,272</u>	<u>17,348</u>
Total borrowings	<u>152,929</u>	<u>104,870</u>

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

B8. Material Litigation

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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B9. Dividend

There was no dividend declared/proposed in the current quarter under review.

B10. Earnings Per Share ("EPS")

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	6,701	4,281	6,701	4,281
Weighted average number of ordinary shares in issue ('000)	667,554	667,554	667,554	667,554
Basic EPS (sen)	1.00	0.64	1.00	0.64

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B10. Earnings Per Share ("EPS") (Cont'd)

The diluted EPS is calculated based on the Group's profit after taxation attributable to owners of the Company divided by the weighted average number of ordinary shares adjusted on the assumption that the employees' share options and/or warrants issued are fully exercised into ordinary shares.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000
Profit after tax attributable to owners of the Company (RM'000)	6,701	4,281	6,701	4,281
Weighted average number of ordinary shares in issue ('000)	667,554	667,554	667,554	667,554
Effect of warrants ('000)	*	*	*	*
Effect of employees' share options ('000)	11,733	-	11,733	-
Adjusted weighted average number of shares ('000)	679,287	667,554	679,287	667,554
Diluted EPS (sen)	0.99	0.64	0.99	0.64

* The potential exercise of warrants is anti-dilutive as their exercise prices are higher than the average market price of the ordinary shares during the current quarter under review. Accordingly, the exercise of warrants has been ignored in the calculation of dilutive earnings per share.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The First Quarter Ended 30 June 2023



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B11. Profit Before Tax

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000	<u>30/06/2023</u> RM'000	<u>30/06/2022</u> RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	34	34	34	34
Auditors' remuneration				
- current year	73	44	73	44
Depreciation of property, plant and equipment	991	873	991	873
Depreciation of investment properties				
- freehold building	11	11	11	11
Gain on disposal of property, plant and equipment	-	(71)	-	(71)
Interest expenses	1,482	679	1,482	679
Interest income	(174)	(119)	(174)	(119)
Realised loss on foreign exchange	279	732	279	732
Rental expenses	193	125	193	125
Rental income	(38)	(38)	(38)	(38)
Unrealised loss on foreign exchange	178	586	178	586

B12. Comparative Figures

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

BY ORDER OF THE BOARD

22 August 2023