



INTERIM FINANCIAL REPORT FOURTH QUARTER ENDED 31 MARCH 2020

SOLARVEST HOLDINGS BERHAD

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

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Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



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

	Unaudited As At 31/3/2020 RM'000	Audited As At 31/03/2019 RM'000
Non-current assets		
Property, plant and equipment	13,773	14,682
Right-of-use assets	2,597	-
Investment properties	868	887
Intangible assets	465	632
Other investment	*	-
Deferred tax assets	668	112
Trade receivables	8,565	2,442
Other receivables	-	240
	<u>26,936</u>	<u>18,995</u>
Current assets		
Inventories	19,816	2,030
Trade receivables	26,570	15,545
Other receivables, deposits and prepayments	9,908	10,605
Contract assets	22,426	16,646
Current tax assets	-	1,903
Short term deposits	10,103	-
Fixed deposits with financial institutions	23,392	8,235
Cash and bank balances	27,462	14,191
	<u>139,677</u>	<u>69,155</u>
Total assets	<u>166,613</u>	<u>88,150</u>
Equity		
Share capital	59,842	1,000
Reorganisation reserve	(25,261)	-
Retained earnings	46,269	30,680
	<u>80,850</u>	<u>31,680</u>
Non-controlling interest	364	(6)
Total equity	<u>81,214</u>	<u>31,674</u>

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(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



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

	Note	Unaudited As At 31/3/2020 RM'000	Audited As At 31/03/2019 RM'000
Non-current liabilities			
Bank borrowings	B7	3,278	5,798
Lease liabilities	B7	3,214	1,096
Redeemable preferences shares		5,011	4,555
Trade payables		-	503
Contract liabilities		132	273
		<u>11,635</u>	<u>12,225</u>
Current liabilities			
Trade payables		44,020	25,474
Other payables and accruals		2,881	2,645
Provisions		769	332
Bank borrowings	B7	7,578	7,693
Lease liabilities	B7	1,225	611
Contract liabilities		17,151	7,496
Current tax liabilities		140	-
		<u>73,764</u>	<u>44,251</u>
Total liabilities		<u>85,399</u>	<u>56,476</u>
Total equity and liabilities		<u>166,613</u>	<u>88,150</u>
Number of ordinary shares in issue ('000)		390,624	1,000
Net assets per share attributable to owners of the parent (RM)		0.21	31.67

⁽¹⁾ The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 September 2019 and the accompanying explanatory notes are an integral part of this interim financial report.

* Represent less than 1,000

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		<u>31/3/2020⁽¹⁾</u> RM'000	<u>31/3/2019⁽²⁾</u> RM'000	<u>31/3/2020⁽¹⁾</u> RM'000	<u>31/3/2019⁽²⁾</u> RM'000
Revenue		51,350	N/A	253,434	N/A
Cost of sales		<u>(40,448)</u>	<u>N/A</u>	<u>(214,155)</u>	<u>N/A</u>
Gross profit		10,902	N/A	39,279	N/A
Other income		(19)	N/A	949	N/A
Administrative expenses		(6,951)	N/A	(18,559)	N/A
Sales and distribution expenses		(676)	N/A	(1,769)	N/A
Listing expenses ⁽⁴⁾		<u>-</u>	<u>N/A</u>	<u>(1,902)</u>	<u>N/A</u>
Profit from operations		3,256	N/A	17,998	N/A
Finance costs		<u>(411)</u>	<u>N/A</u>	<u>(1,513)</u>	<u>N/A</u>
Profit before taxation		2,845	N/A	16,485	N/A
Taxation	B5	<u>1,028</u>	<u>N/A</u>	<u>(509)</u>	<u>N/A</u>
Profit after taxation		<u><u>3,873</u></u>	<u><u>N/A</u></u>	<u><u>15,976</u></u>	<u><u>N/A</u></u>

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

		Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		<u>31/3/2020⁽¹⁾</u>	<u>31/3/2019⁽²⁾</u>	<u>31/3/2020⁽¹⁾</u>	<u>31/3/2019⁽²⁾</u>
Note		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
	Owners of the Company	3,814	N/A	15,665	N/A
	Non-controlling interest	<u>59</u>	<u>N/A</u>	<u>311</u>	<u>N/A</u>
		<u>3,873</u>	<u>N/A</u>	<u>15,976</u>	<u>N/A</u>
Earnings per share attributable to Owners of the Company (sen)					
	- Basic ⁽³⁾	B10	0.98	6.28	N/A

(1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 September 2019 and the accompanying explanatory notes are an integral part of this interim financial report.

(2) No comparative figures are presented as this is the third interim financial report on the consolidated results for the year ended 31 March 2020 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

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

(4) Being one-off listing expenses for illustration purpose only, the profit after taxation after adjusting for the one-off listing expenses is as follows:

	Individual quarter <u>31/3/2020</u> RM'000	Cumulative quarter <u>31/3/2020</u> RM'000
Profit before taxation	2,845	16,485
Add: Listing expenses	-	1,902
Adjusted profit before taxation	<u>2,845</u>	<u>18,387</u>

*N/A denotes not applicable.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

	-----Non-distributable-----		Distributable			
	<u>Share capital</u>	<u>Reorganisation reserve</u>	<u>Retained earnings</u>	<u>Equity attributable to Owners of the Company</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	(76)	(76)	-	(76)
Profit for the financial year	-	-	15,665	15,665	311	15,976
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 March 2020	59,842	(25,261)	46,269	80,850	364	81,214

- ⁽¹⁾ The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 September 2019 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 Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

	Unaudited 12 months ended	
	31/3/2020 ⁽¹⁾	31/3/2019 ⁽²⁾
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	16,485	N/A
Adjustments for:		
Amortisation of intangible assets	133	N/A
Depreciation of property, plant and equipment	1,722	N/A
Depreciation of right-of-use assets	335	N/A
Depreciation of investment properties	50	N/A
Finance costs	1,513	N/A
Finance income	(766)	N/A
Loss on disposal of property, plant and equipment	*	N/A
Provision of defects liability	437	N/A
Bad debts written off	151	N/A
Impairment losses on trade receivables	1,672	N/A
Slow moving stock written off	158	N/A
Unrealised loss on foreign exchange	578	N/A
Operating profit before working capital changes	22,468	N/A
Changes in working capital		
Increase in inventories	(17,945)	N/A
Increase in trade and other receivables, deposits and prepayments	(17,894)	N/A
Increase in contract assets	(5,779)	N/A
Increase in trade and other payables, accruals and provision	17,700	N/A
Increase in contract liabilities	9,514	N/A
Cash generated from operations	8,064	N/A
Finance costs paid	(1,057)	N/A
Interest income received	627	N/A
Tax paid	(984)	N/A
Tax refund	1,987	N/A
Net cash generated from operating activities	8,637	N/A

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

	Unaudited 12 months ended	
	<u>31/3/2020⁽¹⁾</u> RM'000	<u>31/3/2019⁽²⁾</u> RM'000
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(859)	N/A
Acquisition of intangible assets	(7)	N/A
Proceeds from disposal of property, plant & equipment	14	N/A
Proceeds from discount received of intangible assets	41	N/A
Net cash used in investing activities	(811)	N/A
Cash Flows from Financing Activities		
Increase in fixed deposits pledged	(2,048)	N/A
Placement into sinking fund for banking facilities	(163)	N/A
Drawdown of banker acceptance	2,207	N/A
Net repayment of local bill purchase	(6,583)	N/A
Drawdown of finance lease liabilities	696	N/A
Repayment of finance lease liabilities	(711)	N/A
Repayment of lease liabilities	(284)	N/A
Repayment of term loan	(3,358)	N/A
Shares issue expenses	(1,009)	N/A
Proceeds from issue of share capital	34,649	N/A
Net cash generated from financing activities	23,396	N/A
Net increase in cash and cash equivalents	31,222	N/A
Cash and cash equivalents as at beginning of financial year	12,854	N/A
Cash and cash equivalents as at end of financial year	44,076	N/A

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2020⁽¹⁾

	Unaudited 12 months ended	
	31/3/2020 ⁽¹⁾	31/3/2019 ⁽²⁾
	RM'000	RM'000
Cash and cash equivalents comprise the following as at end of financial year:		
Cash and bank balances	27,462	N/A
Short term deposits	10,103	N/A
Fixed deposits with financial institutions	23,392	N/A
	60,957	N/A
Less: Fixed deposits pledged	(10,283)	N/A
Less: Sinking fund account	(1,500)	N/A
Bank overdraft	(5,098)	N/A
	44,076	N/A

(1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 September 2019 and the accompanying explanatory notes are an integral part of this interim financial report.

(2) No comparative figures are presented as this is the third interim financial report on the consolidated results for the year ended 31 March 2020 announced by the Company in compliance with the Listing Requirement.

* Represent less than 1,000.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED 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 is the third interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 March 2020 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 30 September 2019 and the accompanying explanatory notes are an integral part of 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 disclosed in the Accountants’ Report in the Prospectus of the Company dated 30 September 2019, in addition to the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations for financial year beginning 1 April 2019.

(a) New and revised MFRSs, Amendments to MFRSs and IC interpretations

- MFRS 16, ‘Leases’
- Amendments to MFRS 9, ‘Financial Instruments’ – Prepayment Features with Negative Compensation
- Amendments to MFRS 3, ‘Business Combinations’ and MFRS 11, ‘Joint Arrangements’ – Previously Held Interest in a Joint Operation
- Amendments to MFRS 112, ‘Income Taxes’ – Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to MFRS 119, ‘Employee Benefits’ – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, ‘Borrowing Costs’ – Borrowing Costs Eligible for Capitalisation

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A2. Significant accounting policies (cont'd)

(a) New and revised MFRSs, Amendments to MFRSs and IC interpretations (cont'd)

- Amendments to MFRS 128, 'Investments in Associates and Joint Ventures' – Long term Interests in Associates and Joint Ventures
- IC Interpretation 23, 'Uncertainty over Income Tax Treatments'

(b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2020

The following are standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

- Amendments to MFRS 3, 'Business Combinations' – Definition of a Business
- Amendments to MFRS 101, 'Presentation of Financial Statements' and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards
- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets Deferred between an Investor and its Associate or Joint Venture

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A3. Impact of the initial application of MFRS 16 Leases

The Group has adopted MFRS 16 using the modified retrospective approach method. As allowed by the transitional provisions of MFRS 16, the Group will not restate the comparative information. Instead, the Group recognizes the cumulative effect as a transitional adjustment to the opening balance of retained profits as at 1 April 2019 (i.e. date of initial application of MFRS 16).

	As at April 2019 RM'000	Effect on adoption of MFRS 16 RM'000	As at 1 April 2019 (Restated) RM'000
Non-current assets			
Right-of-use assets	-	2,315	2,315
Deferred tax assets	112	25	137
Equity			
Retained earnings	30,680	(76)	30,604
Non-current liabilities			
Lease liabilities	1,096	2,208	3,304
Current liabilities			
Lease liabilities	611	208	819

A4. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2019.

A5. Seasonal or cyclical factors

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

A6. Material Unusual items

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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A7. Material changes in estimates

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

A8. 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.

A9. Dividend

There was no dividend paid during 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 Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A10. Segmental Reporting

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

Unaudited Cumulative quarter 31/3/2020	Investment Holding	EPCC of solar energy solution	O & M of solar energy system	Sale of electricity through solar energy	Others⁽¹⁾	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	-	246,488	1,181	1,841	3,924	-	253,434
Inter-segment revenue	-	19,007	65	-	-	(19,072)	-
	-	265,495	1,246	1,841	3,924	(19,072)	253,434
Results							
Segment result	(2,693)	19,760	815	1,574	155	-	19,611
Interest income	247	380	-	-	-	-	627
Interest expenses	-	(1,386)	-	(127)	-	-	(1,513)
Depreciation & amortisation	-	(1,943)	-	(297)	-	-	(2,240)
Profit before tax	(2,446)	16,811	815	1,150	155	-	16,485

(1) Being one off project management of electrical and fire protection works for our related party and third party.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A11. Significant event after the end of the Interim Financial Period

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

A12. Changes in the composition of the Group

Save as disclosed below, there were no material changes in the composition of the Group during the current financial year under review.

- (i) The Company had on 24 December 2019 incorporated a new wholly-owned subsidiary company with the name "Solarvest Asset Management Sdn Bhd" 201901046277 (1355607-K) ("SAM") with a paid-up share capital of RM 100. Subsequently, the Company had on 12 February 2020 subscribed an additional 1,999,900 ordinary shares in the capital of SAM. Currently, the total issued and paid-up share capital of SAM is RM2,000,000.00 comprising of 2,000,000 ordinary shares, and the Company remains as the sole shareholder of SAM. The intended principal activity of SAM is to carry out the business of solar leasing and other related activities. SAM will provide finance leasing and lending services in relation to the solar rooftop projects undertaken or to be undertaken by the Company and group of companies, mainly to facilitate the expansion of the Group's businesses into solar leasing and other related activities.
- (ii) On 9 March 2020, the Group via Solarvest Energy Sdn Bhd, a wholly-owned subsidiary of the Company, has incorporated a Company known as Solarvest (Taiwan) Corporate Limited (83506336) ("Solarvest Taiwan") with total issued and paid-up share capital of NT\$1,000,000 comprising of 100,000 ordinary shares. The intended principal activity of Solarvest Taiwan is self-usage power generation equipment utilizing renewable energy and other related energy technical and consulting services.

A13. 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:-

	Unaudited RM'000
Secured	
Bank guarantees for performance and workmanship security bond provided to customers	1,846

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A14. Capital commitments

The group had capital commitments amounted to RM47,000 for the purchase of equipment.

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 year ended 31 March 2020 were as follows:-

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
- Revenue from installation of electrical works	1,848
- Revenue from operation & maintenance services	75
- Hire of machinery charges	9
- Transport services	8
- Disposal of motor vehicle	2

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 year under review.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

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

B1. Review of Group's Performance

The Group recorded revenue of RM253.4 million, mainly from EPCC services which have contributed RM246.5 million that resulted the Group's profit before taxation of RM16.5 million for the financial year ended 31 March 2020. Included in other income was interest received amounting to RM0.6 million as a result of placement of fixed deposits and short term deposits of RM23.4 million and RM10.1 million respectively during the said financial year ended. Administrative expenses during the financial year were mainly due to staff costs amounting to RM7.2 million, depreciation and amortisation of RM2.2 million, impairment losses on trade receivables of RM1.7 million, motor vehicle expenses of RM0.9 million, realised and unrealised loss on foreign exchange with both RM0.6 million respectively. Sales and distribution expenses were mainly due to sales commission paid of RM1.4 million and marketing expenses of RM0.4 million incurred during the year.

In the absence of a one-off listing expenses of RM1.9 million, the Group's profit before tax stood at RM18.4 million for the year under review.

B2. Comparison with immediate preceding quarter's results

	Quarter Ended		Variance RM'000
	31/3/2020 RM'000	31/12/2019 RM'000	
Revenue	51,350	62,120	(10,770)
Profit before tax	2,845	4,834	(1,989)

For the quarter under review, the Group's revenue for the current financial quarter ended 31 March 2020 decreased by RM10.8 million or 17.3% to RM51.3 million as compared to RM62.1 million in the preceding financial quarter ended 31 December 2019. The decrease in revenue was mainly due to most of the large scale solar projects had completed as compared to preceding financial quarter.

Profit before taxation of the Group for the current financial quarter was RM2.8 million, a decrease of RM2.0 million or 41.1% as compared to RM4.8 million recorded during the preceding financial quarter. The decrease in profit before taxation was mainly due to the impairment losses on trade receivables of RM1.7 million provided for the current financial quarter under review.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED 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 bidding process will take three months to ensure the project implementation can start by the end of 2020. The solar power plants are expected to start operating latest by Dec 31, 2023.

The Group will continuously bid for new contracts to replenish its order book. As at the date of announcement, the unbilled order book stood at RM178.4 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 year under review.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B5. Taxation

	Unaudited 3 months ended		Unaudited 12 months ended	
	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current financial year	(301)	N/A	1,132	N/A
- Overprovision in prior year	-	N/A	(92)	N/A
	(301)	N/A	1,040	
Deferred tax asset				
- Current financial year	(727)	N/A	(531)	N/A
	(1,028)	N/A	509	N/A
Effective tax rates	N/A	N/A	3.0%	N/A

- (1) No comparative figures are presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

The effective tax rate of the Group was lower than the statutory tax rate as the subsidiary, Atlantic Blue Sdn Bhd, was granted pioneer status by MIDA for electricity generation as an owner of solar PV plant effective from 1 January 2015. Under the pioneer status, the profit derived from the Group's own solar PV plant is exempted from tax for 5 years from 1 January 2015 to 31 December 2019. The Group's application for renewal of pioneer status was obtained on 23 September 2019 for another 5 years from 1 January 2020 to 31 December 2024. In addition to that, Powertrack and Solarvest Energy were also granted 100% tax exemption by MIDA on statutory income for a period of 5 years from year of assessment 2016 to 2020 and 2017 to 2020 respectively. Solarvest Energy (SR) was also granted 100% tax exemption on statutory income by MIDA on 13 December 2019 for the year of assessment 2020.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Status of corporate proposals and utilisation of proceeds

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

The gross proceeds of RM34.6 million raised from the Public Issue and status of utilisation as at 31 March 2020 are as follows:

<u>Utilisation of proceeds</u>	<u>Estimated timeframe for utilisation from Listing</u>	<u>Proposed utilisation RM'000</u>	<u>Actual utilisation RM'000</u>	<u>Percentage utilisation %</u>
(i) Business expansion	Within 24 months	3,000	659	22.0
(ii) Capital expenditure	Within 18 months	4,000	52	1.3
(iii) Working capital	Within 24 months	19,190	1,395	7.3
(iv) Repayment of bank borrowings	Within 3 months	5,000	5,000	100.0
(v) Estimated listing expenses	Within 1 month	3,400	3,400	100.0
		<u>34,590</u>	<u>10,506</u>	<u>30.4</u>

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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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B7. Borrowings

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

	Unaudited 12 months ended	
	31/3/2020 RM'000	31/3/2019 ⁽¹⁾ RM'000
Secured		
Current liabilities		
Lease liabilities	802	N/A
Bank overdraft	5,098	N/A
Term loans	272	N/A
Banker acceptance	2,208	N/A
	<u>8,380</u>	<u>N/A</u>
Non-current liabilities		
Lease liabilities	889	N/A
Term loans	3,278	N/A
	<u>4,167</u>	<u>N/A</u>
Non-secured		
Current liabilities		
Lease liabilities	423	N/A
Non-current liabilities		
Lease liabilities	2,325	N/A
Total borrowings	<u>15,295</u>	<u>N/A</u>

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

- (1) No comparative figures are presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

B8. Material Litigation

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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B9. Dividend Proposed

The Board of Directors did not declare or recommend any dividend for the current financial year 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 issued during the financial year.

	Unaudited 3 months ended		Unaudited 12 months ended	
	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company (RM'000)	3,814	N/A	15,665	N/A
Weighted average number of ordinary shares in issue ('000)	390,624	N/A	249,308	N/A
Basic EPS (sen)	0.98	N/A	6.28	N/A

- (1) No comparative figures are presented as this is the third interim financial report on consolidated results announced by the Company in compliance with the Listing Requirements.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Fourth Quarter Ended 31 March 2020



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B11. Profit Before Tax

	Unaudited 3 months ended		Unaudited 12 months ended	
	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>	<u>31/3/2020</u>	<u>31/3/2019 ⁽¹⁾</u>
Profit before tax is arrived at after charging/(crediting):	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	34	N/A	133	N/A
Auditors' remuneration				
- under provision in prior year	-	N/A	40	N/A
- current year	59	N/A	158	N/A
Bad debts recovered	-	N/A	(17)	N/A
Bad debts written off	151	N/A	151	N/A
Depreciation of property, plant and equipment	444	N/A	1,722	N/A
Depreciation of right-of-use assets	96	N/A	335	N/A
Depreciation of investment properties				
- freehold building	12	N/A	50	N/A
Loss on disposal of property, plant and equipment	*	N/A	*	N/A
Interest expenses	411	N/A	1,513	N/A
Interest income	(275)	N/A	(627)	N/A
Impairment losses on trade receivables	1,672	N/A	1,672	N/A
Provision of defects liability	237	N/A	437	N/A
Realised loss/(gain) on foreign exchange	(11)	N/A	567	N/A
Rental expenses	101	N/A	349	N/A
Rental income	(18)	N/A	(126)	N/A
Slow moving stock written off	158	N/A	158	N/A
Unrealised loss on foreign exchange	966	N/A	578	N/A

(1) No comparative figures are presented as this is the third interim financial report on consolidation results announced by the Company in compliance with the Listing Requirements.

* Represent less than 1,000

BY ORDER OF THE BOARD

29 June 2020