



INTERIM FINANCIAL REPORT SECOND QUARTER ENDED 30 SEPTEMBER 2020

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 Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020⁽¹⁾

	Note	Unaudited As At 30/9/2020 RM'000	Audited As At 31/3/2020 RM'000
Non-current assets			
Property, plant and equipment		13,721	13,773
Right-of-use assets		2,406	2,597
Investment properties		858	868
Intangible assets		398	465
Other investment		-	*
Deferred tax assets		572	668
Trade receivables		5,152	5,207
		<u>23,107</u>	<u>23,578</u>
Current assets			
Inventories		7,069	19,816
Trade receivables		32,184	29,998
Other receivables, deposits and prepayments		12,851	9,909
Contract assets		34,881	22,356
Short term investments		10,230	10,103
Fixed deposits with financial institutions		16,700	23,392
Cash and bank balances		19,518	27,462
		<u>133,433</u>	<u>143,036</u>
Total assets		<u>156,540</u>	<u>166,614</u>
Equity			
Share capital		59,842	59,842
Reorganisation reserve		(25,261)	(25,261)
Retained earnings		51,084	46,269
		<u>85,665</u>	<u>80,850</u>
Non-controlling interest		414	364
Total equity		<u>86,079</u>	<u>81,214</u>

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Registration No.: 201701033607 (1247778-U)

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Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020⁽¹⁾

		Unaudited As At 30/9/2020 RM'000	Audited As At 31/3/2020 RM'000
	Note		
Non-current liabilities			
Bank borrowings	B7	3,132	3,278
Lease liabilities	B7	3,243	3,214
Redeemable preferences shares		5,258	5,011
Trade payables		598	598
Contract liabilities		1,788	1,680
		<u>14,019</u>	<u>13,781</u>
Current liabilities			
Trade payables		24,091	43,422
Other payables and accruals		1,584	2,882
Provisions		769	769
Bank borrowings	B7	13,773	7,578
Lease liabilities	B7	1,115	1,225
Contract liabilities		13,419	15,603
Current tax liabilities		1,691	140
		<u>56,442</u>	<u>71,619</u>
Total liabilities		<u>70,461</u>	<u>85,400</u>
Total equity and liabilities		<u>156,540</u>	<u>166,614</u>
Number of ordinary shares in issue ('000)		390,624	390,624
Net assets per share attributable to Owners of the Company (RM)		0.22	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 1,000

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		<u>30/9/2020⁽¹⁾</u> RM'000	<u>30/9/2019</u> RM'000	<u>30/9/2020⁽¹⁾</u> RM'000	<u>30/9/2019</u> RM'000
Revenue		62,163	102,404	90,913	139,964
Cost of sales		<u>(52,138)</u>	<u>(93,382)</u>	<u>(76,818)</u>	<u>(122,964)</u>
Gross Profit		10,025	9,022	14,095	17,000
Other income		486	170	1,497	349
Administrative expenses		(4,240)	(3,673)	(7,571)	(6,713)
Sales and distribution expenses		(86)	(447)	(233)	(763)
Listing expenses		<u>-</u>	<u>(168)</u>	<u>-</u>	<u>(341)</u>
Profit from operations		6,185	4,904	7,788	9,532
Finance costs		<u>(477)</u>	<u>(388)</u>	<u>(794)</u>	<u>(726)</u>
Profit before taxation		5,708	4,516	6,994	8,806
Taxation	B5	<u>(1,642)</u>	<u>(912)</u>	<u>(2,129)</u>	<u>(1,005)</u>
Profit after taxation		<u>4,066</u>	<u>3,604</u>	<u>4,865</u>	<u>7,801</u>

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

		Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Note	<u>30/9/2020⁽¹⁾</u> RM'000	<u>30/9/2019</u> RM'000	<u>30/9/2020⁽¹⁾</u> RM'000	<u>30/9/2019</u> RM'000
Profit for the financial period attributable to:					
Owners of the Company		4,001	3,656	4,815	7,873
Non-controlling interest		<u>65</u>	<u>(52)</u>	<u>50</u>	<u>(72)</u>
		<u>4,066</u>	<u>3,604</u>	<u>4,865</u>	<u>7,801</u>
Earnings per share attributable to Owners of the Company (sen)					
- Basic ⁽²⁾	B10	1.02	0.94	1.23	2.02

(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.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020

	-----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
Profit for the financial period	-	-	7,873	7,873	(72)	7,801
Transaction with owners:						
Acquisition of subsidiaries in business combination under common control	25,262	(25,262)	-	-	-	-
Issuance of share capital to non-controlling interest of subsidiary	-	-	-	-	59	59
Balance as at 30 September 2019	<u>26,262</u>	<u>(25,262)</u>	<u>38,553</u>	<u>39,553</u>	<u>(19)</u>	<u>39,534</u>

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾ (CONT'D)

	-----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 2020	59,842	(25,261)	46,269	80,850	364	81,214
Profit for the financial period	-	-	4,815	4,815	50	4,865
Balance as at 30 September 2020	59,842	(25,261)	51,084	85,665	414	86,079

- (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.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Unaudited 6 months ended	
	30/9/2020 ⁽¹⁾ RM'000	30/9/2019 RM'000
Cash Flows from Operating Activities		
Profit before taxation	6,994	8,806
Adjustments for:		
Amortisation of intangible assets	67	65
Depreciation of property, plant and equipment	1,133	1,018
Depreciation of investment properties	10	25
Finance costs	794	726
Finance income	(387)	(205)
Gain on disposal of property, plant and equipment	(13)	(*)
Provision of defects liability	-	200
Reversal of impairment losses on trade receivables	(319)	-
Unrealised (gain)/loss on foreign exchange	(663)	389
Operating profit before working capital changes	7,616	11,024
Changes in working capital		
Decrease/(Increase) in inventories	12,747	(3,513)
Increase in trade and other receivables, deposits and prepayments	(4,721)	(58,849)
(Increase)/Decrease in contract assets	(12,525)	3,647
(Decrease)/Increase in trade and other payables, accruals and provision	(19,966)	39,038
(Decrease)/Increase in contract liabilities	(2,077)	15,809
Cash (used in)/generated from operations	(18,926)	7,156
Finance costs paid	(547)	(501)
Interest income received	353	163
Tax paid	(481)	(431)
Tax refund	-	1,342
Net cash (used in)/generated from operating activities	(19,601)	7,729

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Unaudited 6 months ended	
	30/9/2020 ⁽¹⁾ RM'000	30/9/2019 RM'000
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(26)	(301)
Payment for self-constructing solar asset	(540)	-
Acquisition of intangible assets	-	(3)
Proceeds from disposal of property plant & equipment	108	1
Proceeds from disposal of other investment	(*)	-
Proceeds from discount received of intangible assets	-	41
Net cash used in investing activities	(458)	(262)
Cash Flows from Financing Activities		
Increase in fixed deposits pledged	(322)	(1,029)
Placement into sinking fund for banking facilities	-	(163)
Net repayment of local bill purchase	-	(6,583)
Drawdown from invoice financing	9,546	-
Net repayment of banker acceptance	(1,754)	-
Drawdown of finance lease liabilities	-	177
Repayment of finance lease liabilities	(289)	(193)
Repayment of lease liabilities	(212)	(140)
Net repayment of term loan	(148)	(753)
Proceeds from issue of share capital	-	59
Net cash from/(used in) financing activities	6,821	(8,625)
Net decrease in cash and cash equivalents	(13,238)	(1,158)
Cash and cash equivalents as at beginning of financial year	44,076	12,854
Cash and cash equivalents as at end of financial period	30,838	11,696

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Unaudited 6 months ended	
	30/9/2020 ⁽¹⁾ RM'000	30/9/2019 RM'000
Cash and cash equivalents at the end of financial period comprise:		
Cash and bank balances	19,518	15,269
Fixed deposits with financial institutions	16,700	9,264
	<u>36,218</u>	<u>24,533</u>
Less: Fixed deposits pledged	(10,606)	(9,264)
Less: Sinking fund account	(1,500)	(1,500)
Less: Bank overdraft	(3,504)	(2,073)
Add: Short term investments	10,230	-
	<u>30,838</u>	<u>11,696</u>

(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.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 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

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



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

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

A8. Dividend

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 Second Quarter Ended 30 September 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 30/9/2019	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	-	136,657	436	907	1,964	-	139,964
Inter-segment revenue	-	5,904	24	-	-	(5,928)	-
	-	142,561	460	907	1,964	(5,928)	139,964
Results							
Segment results	(453)	9,803	228	761	96	-	10,435
Interest income	-	205	-	-	-	-	205
Interest expenses	-	(635)	-	(91)	-	-	(726)
Depreciation & amortisation	-	(1,008)	-	(100)	-	-	(1,108)
Profit before tax	(453)	8,365	228	570	96	-	8,806

⁽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 Second Quarter Ended 30 September 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 30/9/2020	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	-	87,694	736	881	1,602	-	90,913
Inter-segment revenue	-	7,893	240	-	-	(8,133)	-
	-	95,587	976	881	1,602	(8,133)	90,913
Results							
Segment results	(404)	8,061	134	772	48	-	8,611
Interest income	200	187	-	-	-	-	387
Interest expenses	-	(735)	-	(59)	-	-	(794)
Depreciation & amortisation	-	(1,061)	-	(149)	-	-	(1,210)
Profit before tax	(204)	6,452	134	564	48	-	6,994

⁽¹⁾ Being one off project management of electrical and telephone services for third party and money lending services which no activities were recorded for the period under review.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



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

On 6 November 2020, the Group's wholly-owned subsidiary, Solarvest (Taiwan) Corporate Limited, acquired 306,000 ordinary shares of Tailai Energy Co., Ltd ("Tailai"), representing 51% equity interest in Tailai and thereafter, Tailai became a subsidiary of the Group.

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

Bank guarantees for performance, workmanship security bond and advance payment bond provided to customers

**Unaudited
RM'000**

8,506

A13. Corporate Guarantees

Corporate guarantees given to licensed banks for credit facilities granted to related companies.

**Unaudited
RM'000**

30,089

A14. Capital commitments

The Group does not have any material capital commitments during the current financial period under review.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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 30 September 2020 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
- Revenue from operation & maintenance services	15

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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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

B1. Review of Group's Performance

	Quarter ended		Variance	
	30/9/2020 ("Q2/21") RM'000	30/9/2019 ("Q2/20") RM'000		
Revenue	62,163	102,404	(40,241)	-39.30
Profit before tax	5,708	4,516	1,192	26.40
Profit after tax	4,066	3,604	462	12.82

Comparison between Q2/21 with Q2/20

For the quarter under review, the Group's revenue decreased by RM40.24 million or 39.30% as compared to preceding year quarter ended 30 September 2019. The decrease in revenue were principally due to lower revenue contribution from large-scale solar projects, as most large-scale solar projects have completed. Revenue from the current quarter under review were largely contributed by commercial and industrial business segment.

The Group's profit before tax increased by RM1.19 million or 26.40% as compared to preceding year quarter ended 30 September 2019 due to higher gross profit contributed by commercial and industrial business segment and a reversal of impairment losses on trade receivables.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

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

	Year-to-date		Variance	
	30/9/2020 ("2Q/FY21") RM'000	30/9/2019 ("2Q/FY20") RM'000		
Revenue	90,913	139,964	(49,051)	-35.05
Profit before tax	6,994	8,806	(1,812)	-20.58
Profit after tax	4,865	7,801	(2,936)	-37.64

Comparison between 2Q/FY21 with 2Q/FY20

The Group recorded revenue of RM90.91 million in 2Q/FY21 as compared to the corresponding preceding period 2Q/FY20 of RM139.96 million. The decrease of RM49.05 million or 35.05% was mainly due to COVID-19 pandemic Movement Control Order (MCO) implemented by the government which have resulted in the suspension of works at sites.

The lower revenue recorded have also resulted in the Group reported a lower profit before tax of RM6.99 million in 2Q/FY21 as compared to a profit before tax of RM8.81 million in the corresponding preceding period in 2Q/FY20.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

B2. Comparison with immediate preceding quarter's results

	Quarter Ended		Variance	
	30/9/2020 RM'000	30/6/2020 RM'000	RM'000	(%)
Revenue	62,163	28,750	33,413	116.22
Profit before tax	5,708	1,286	4,422	343.86
Profit after tax	4,066	799	3,267	408.89

The Group's revenue for the current financial quarter ended 30 September 2020 increased by RM33.41 million or 116.22% to RM62.16 million as compared to RM28.75 million in the preceding quarter ended 30 June 2020. The rebound in revenue were 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.

This has also resulted in the increase of profit before taxation of the Group by RM 4.42 million or 343.86% from RM 1.29 million recorded in the preceding quarter as compared to RM 5.71 million in the current quarter.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



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 Group will also continuously bid for new contracts to replenish its order book. For the period under review, the unbilled order book stood at RM193.75 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.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B5. Taxation

	Unaudited 3 months ended		Unaudited 6 months ended	
	<u>30/9/2020</u>	<u>30/9/2019</u>	<u>30/9/2020</u>	<u>30/9/2019</u>
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current	1,638	730	2,032	816
Deferred tax				
- Current	4	182	97	189
	<u>1,642</u>	<u>912</u>	<u>2,129</u>	<u>1,005</u>
Effective tax rates	28.8%	20.2%	30.4%	11.4%

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.

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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 30 September 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	850	28.33
(ii) Capital expenditure	Within 18 months	4,000	52	1.30
(iii) Working capital	Within 24 months	19,190	16,953	88.34
(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
		<u>34,590</u>	<u>26,255</u>	<u>75.90</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 Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

2) 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 Securities had via its letter dated 3 September 2020 approved the listing and quotation of new shares to be issued pursuant to the exercise of ESOS options under the Proposed ESOS.

Shareholders of the Company had approved the above proposals at the Third (3rd) Annual General Meeting and Extraordinary General Meeting which were convened on 28 September 2020.

On 2 November 2020, Bursa Securities had approved the listing and quotation of new shares to be issued pursuant to the Proposed Private Placement.

- 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.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B7. Borrowings

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

	Unaudited 6 months ended	
	30/9/2020 RM'000	30/9/2019 RM'000
<u>Secured</u>		
Current liabilities		
Lease liabilities	695	732
Bank overdraft	3,504	2,073
Term loans	269	1,053
Invoice financing	9,546	-
Banker acceptance	454	-
	<u>14,468</u>	<u>3,858</u>
Non-current liabilities		
Lease liabilities	1,081	957
Term loans	3,132	5,102
	<u>4,213</u>	<u>6,059</u>
<u>Non-secured</u>		
Current liabilities		
Lease liabilities	420	280
Non-current liabilities		
Lease liabilities	2,162	1,980
Total borrowings	<u>21,263</u>	<u>12,177</u>

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.

SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B9. Dividend Proposed

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

	Unaudited 3 months ended		Unaudited 6 months ended	
	<u>30/9/2020</u>	<u>30/9/2019</u>	<u>30/9/2020</u>	<u>30/9/2019</u>
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company (RM'000)	4,001	3,656	4,815	7,873
Weighted average number of ordinary shares in issue ('000)	390,624	390,624	390,624	390,624
Basic EPS (sen)	1.02	0.94	1.23	2.02

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SOLARVEST HOLDINGS BERHAD

Registration No.: 201701033607 (1247778-U)

(Incorporated in Malaysia)

Interim Financial Report For The Second Quarter Ended 30 September 2020



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

B11. Profit Before Tax

	Unaudited 3 months ended		Unaudited 6 months ended	
	<u>30/9/2020</u>	<u>30/9/2019</u>	<u>30/9/2020</u>	<u>30/9/2019</u>
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets	33	33	67	65
Auditors' remuneration				
- under provision in prior year	-	40	-	40
- current year	74	29	109	66
Depreciation of property, plant and equipment	534	590	1,133	1,018
Depreciation of investment properties				
- freehold building	5	20	10	25
Gain on disposal of property, plant and equipment	(13)	(*)	(13)	(*)
Interest expenses	477	388	794	726
Interest income	(159)	(92)	(387)	(205)
Listing expenses	-	168	-	341
Provision of defects liability	-	200	-	200
Realised loss on foreign exchange	137	104	486	143
Rental expenses	122	31	216	154
Rental income	(17)	(19)	(79)	(89)
Reversal of impairment losses on trade receivables	(319)	-	(319)	-
Unrealised loss/(gain) on foreign exchange	6	403	(663)	389

* Represent less than 1,000

B12. Comparative Figures

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

BY ORDER OF THE BOARD

25 November 2020