



BOILERMECH HOLDINGS BERHAD
Company No.897694-T
(Incorporated in Malaysia under the Companies Act,1965)

Unaudited Interim Financial Statements for the 4th Quarter Ended 31 March 2015

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Mar-2015 RM'000	Preceding Year Corresponding Quarter 31-Mar-2014 RM'000	Current Year to Date 31-Mar-2015 RM'000	Preceding Year Corresponding Period 31-Mar-2014 RM'000
Revenue	69,717	75,539	277,875	242,020
Cost of sales	(47,127)	(58,705)	(205,037)	(186,171)
Gross profit	22,590	16,834	72,838	55,849
Other operating income and expenses	(12,264)	(6,628)	(20,671)	(17,621)
Finance costs	-	(9)	-	(48)
Profit before taxation	10,326	10,197	52,167	38,180
Income tax expense	(2,284)	44	(13,012)	(7,164)
Profit after taxation	8,042	10,241	39,155	31,016
Other Comprehensive Income, Net of Tax				
- Foreign currency translation differences for foreign operation	(5)	-	(21)	-
- Cash flow hedge	759	1,655	(4,908)	188
	754	1,655	(4,929)	188
Total Comprehensive Income	8,796	11,896	34,226	31,204
Profit after taxation attributable to : Owners of the Company	8,042	10,241	39,155	31,016
Total comprehensive income attributable to : Owners of the Company	8,796	11,896	34,226	31,204
Weighted average no. of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Earnings per share attributable to owners of the Company:				
Basic (sen)	1.56	1.98	7.59	6.01
Diluted (sen)	N/A	N/A	N/A	N/A

Notes :

N/A - Not applicable

- (a) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad ("Company") for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.
- (b) The basic earnings per share in the previous financial year had been restated to conform with the current year's presentation as a result of the bonus issue during the current financial year



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Unaudited Condensed Consolidated Statement of Financial Position

	UNAUDITED	AUDITED
	As at	As at
	31-Mar-2015	31-Mar-2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,848	42,231
Deferred tax assets	163	524
	<u>76,011</u>	<u>42,755</u>
Current assets		
Inventories	29,577	28,616
Amount owing by contract customers	28,347	15,274
Trade receivables	63,733	46,728
Other receivables, deposits and prepayments	2,757	6,035
Tax refundable	2,197	519
Derivative assets	-	179
Liquid investments	12,943	61,433
Deposits with a licensed bank	357	-
Cash and bank balances	13,281	12,616
	<u>153,192</u>	<u>171,400</u>
TOTAL ASSETS	<u><u>229,203</u></u>	<u><u>214,155</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	51,600	25,800
Share premium	-	7,619
Foreign currency translation reserve	(21)	-
Cash flow hedge reserve	(4,774)	134
Merger deficit	(21,810)	(21,810)
Retained profits	106,247	93,013
Total equity	<u>131,242</u>	<u>104,756</u>
Current liabilities		
Amount owing to contract customers	39,194	58,522
Trade payables	38,351	43,411
Other payables and accruals	14,218	7,459
Provision for taxation	7	7
Derivative liabilities	6,191	-
	<u>97,961</u>	<u>109,399</u>
TOTAL LIABILITIES	<u>97,961</u>	<u>109,399</u>
TOTAL EQUITY AND LIABILITIES	<u><u>229,203</u></u>	<u><u>214,155</u></u>
Net assets per share attributable to owners of the Company (RM) #	0.25	0.20

Notes :

- # The net assets per share in the previous financial year had been restated to conform with the current year's presentation as a result of the bonus issue during the current financial year
- (a) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Condensed Consolidated Statement of Cash Flows

	Current Year to Date 31-Mar-2015 RM'000	Preceding Year Corresponding Period 31-Mar-2014 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	52,167	38,180
Adjustments for :		
Equipment written off	5	9
Allowance for impairment losses on trade receivables	3,005	4,447
Depreciation of property, plant and equipment	2,516	2,482
Interest expenses	-	48
Inventories written off / (back)	58	(41)
Unrealised gain on foreign exchange	(1,864)	(45)
Fair value loss / (gain) on derivatives	1,462	(114)
Gain on disposal of equipment	(80)	-
Interest income	(1,455)	(1,407)
Write-back of allowance for impairment losses on trade receivables	(4,282)	(1,628)
Operating profit before working capital changes	51,532	41,931
Increase in amount owing by contract customers	(13,073)	(5,396)
Increase in inventories	(1,019)	(9,259)
(Increase) / Decrease in trade and other receivables	(10,474)	11,333
Increase in trade and other payables	1,564	18,381
Decrease in amount owing to contract customers	(19,328)	(4,800)
Cash from operations	9,202	52,190
Interest paid	-	(48)
Income tax paid	(14,329)	(9,340)
Net cash (for) / from operating activities	(5,127)	42,802
CASH FLOW FOR INVESTING ACTIVITIES		
Proceeds from disposal of equipment	80	-
Purchase of property, plant and equipment	(36,136)	(3,996)
Interest received	1,455	1,407
Net cash for investing activities	(34,601)	(2,589)
CASH FLOW FOR FINANCING ACTIVITIES		
Repayment of term loan	-	(1,123)
Advances to a related company	-	(24)
Dividends paid	(7,740)	(5,160)
Net cash for financing activities	(7,740)	(6,307)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(47,468)	33,906
EFFECTS OF FOREIGN EXCHANGE	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	74,049	40,143
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	26,581	74,049
CASH AND CASH EQUIVALENTS COMPRISE		
Liquid Investments	12,943	61,433
Deposits with a licensed bank	357	-
Cash and bank balances	13,281	12,616
	26,581	74,049

Note :

- (a) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.



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Unaudited Condensed Consolidated Statements of Changes in Equity

	←	Non-distributable			→	Distributable	
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total RM'000
Balance at 1/4/2014	25,800	7,619	-	134	(21,810)	93,013	104,756
Profit after taxation for the financial period	-	-	-	-	-	39,155	39,155
Other comprehensive income for the financial period:							
Foreign currency translation differences for foreign operation	-	-	(21)	-	-	-	(21)
Cash flow hedge	-	-	-	(4,908)	-	-	(4,908)
Total comprehensive income for the financial period	-	-	(21)	(4,908)	-	39,155	34,226
Distributions to owners of the Company:							
Issuance of shares - Bonus issue	25,800	(7,619)	-	-	-	(18,181)	-
Dividends	-	-	-	-	-	(7,740)	(7,740)
Total transactions with owners	25,800	(7,619)	-	-	-	(25,921)	(7,740)
Balance at 31/3/2015	51,600	-	(21)	(4,774)	(21,810)	106,247	131,242
Balance at 1/4/2013	25,800	7,619	-	(54)	(21,810)	67,157	78,712
Profit after taxation for the financial period						31,016	31,016
Cash flow hedge				188			188
Dividends	-	-	-	-	-	(5,160)	(5,160)
Balance at 31/3/2014	25,800	7,619	-	134	(21,810)	93,013	104,756

Note :

- (a) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited consolidated financial statements of Boilermech Holdings Berhad for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.



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A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

This condensed interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial report.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding annual audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2014 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any major seasonal or cyclical factors.

4. Significant Unusual Items

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial year to-date.

5. Material Changes in Estimates

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and financial year to-date.

6. Details of Changes in Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review and financial year to-date save for the issuance of 258,000,000 bonus share on 16 October 2014.



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7. Dividend

The Board of Directors proposed a final single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM9,030,000 in respect of FYE 31 March 2015 subject to approval from shareholders at the forthcoming Annual General Meeting.

8. Segmental Reporting

	12- MONTHS FINANCIAL PERIOD ENDED 31-MARCH 2015		
	BIO-ENERGY SYSTEMS *	OTHERS	GROUP
	RM'000	RM'000	RM'000
REVENUE			
External sales	277,875	-	277,875
Inter-segment sales	-	-	-
	<u>277,875</u>	<u>-</u>	<u>277,875</u>
Adjustments and eliminations			<u>-</u>
Consolidated revenue			<u>277,875</u>
RESULTS			
Segments results	55,303	(3,136)	52,167
Finance costs			-
Profit before taxation			<u>52,167</u>
Income tax expense			<u>(13,012)</u>
Consolidated Profit after taxation			<u>39,155</u>

* Bio-energy systems comprises manufacturing and repair of bio-energy systems and trading of related parts and accessories

Geographical Segments for Revenue

	Current year Quarter 31- MAR 2015 RM'000	Current Year to-Date 31-MAR 2015 RM'000
Local	23,217	105,428
Export	46,500	172,447
Total	<u>69,717</u>	<u>277,875</u>



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9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

10. Contingent Liabilities

	Current Year to-Date 31-MAR 2015 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	<u>35,847</u>

11. Capital Commitments

The amount of capital commitments not provided for in the financial statements are as follows:

	Current Year to-Date 31-MAR 2015 RM'000
Purchase of Property, plant and equipment	
Approved and contracted for	<u>1,226</u>

12. Material Events Subsequent to the End of the Interim Reporting Period

Save as disclosed below, there were no other events subsequent to the current financial quarter ended 31 March 2015 up to the date of this interim financial report which may substantially affect the results of the operations of the Group:

On 21 April 2015, the Company's wholly-owned subsidiary, Boilermech Oretch Sdn Bhd (formerly known as Prominent Discovery Sdn Bhd) ("BOSB") has entered into a Commercialisation Agreement ("the Commercialisation Agreement") with Commonwealth Scientific and Industrial Research Organisation (acting through its Food and Nutrition Flagship) ("CSIRO") for the commercialisation by BOSB of certain CSIRO patents, patent applications and know-how in respect of the technology created by CSIRO to enhance oil extraction efficiency from oil palm fruit ("Technology") in return for technology transfer fee to be paid to CSIRO.

In conjunction thereto, the Company has on even date signed a Parent Company Deed with CSIRO and BOSB, in which the Company guarantees that it shall continue to be responsible for BOSB's obligations under the Commercialisation Agreement if BOSB fails to fulfill those obligations.



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13. Related Party Disclosures

Identities of related parties

For the purpose of this financial statement, parties are considered to be related to the Group if a group or a company has the ability, directly or indirectly, to control the party or exercise significantly influence over the party in making financial and operating decisions, or vice versa, or where the Group and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

	Current Year to-Date 31-Mar-2015 RM'000
Sales to related parties	2,144
Purchase from related party	406



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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

Individual Quarter	Current year Quarter 4	Preceding year Quarter 4	Variance	Variance
	31 March 2015	31 March 2014		
	RM'000	RM'000	RM'000	%
Revenue	69,717	75,539	-5,822	-7.7%
PBT	10,326	10,197	129	1.3%
PBT Margin (%)	14.8%	13.5%		

Cumulative Quarter	Current year to date	Preceding year to date	Variance	Variance
	Quarter 4	Quarter 4		
	31 March 2015	31 March 2014		
	RM'000	RM'000	RM'000	%
Revenue	277,875	242,020	35,855	14.8%
PBT	52,167	38,180	13,987	69.6%
PBT Margin (%)	18.8%	15.8%		

For the current quarter and current year to date under review, the Group registered revenue of RM69.72 million and RM277.88 million respectively.

The revenue in current year Quarter 4 decreased by RM5.82 million, representing a decrease of 7.7%, as compared to the revenue achieved in the preceding year corresponding quarter. The revenue in current year to date increased by RM35.86 million. This represents an improvement of 14.8%, as compared to the revenue recorded in the preceding year corresponding year to date.

The total revenue for the current year continues to grow owing to a higher level of activity in manufacturing, deliveries and installation of boilers compared to the preceding year. The revenue for quarter 4 of the preceding year reflected a higher level of activity in the commission of boilers than that of the current quarter.

The PBT in current year Quarter 4 slightly increased by RM0.13 million, which represents an improvement of 1.3%, as compared to the preceding year corresponding quarter while the PBT in current year to date increased by RM13.99 million, representing an improvement of 69.6%, as compared to the preceding year corresponding year to date.

PBT margin for current year Quarter 4 stood at 14.8% as compared to 13.5% PBT margin in the preceding year corresponding quarter. The PBT margin for the current 12 month period stood at 18.8% as compared to the 15.8% PBT margin recorded for the 12 month period of the preceding year. The higher margins for current year Quarter 4 and cumulative 12 months PBT was mainly contributed by certain higher margin projects and the recovery of doubtful debts which were provided in previous periods.



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2. Material Changes To The Results Of The Preceding Quarter

Individual Quarter	Current year Quarter 4 (3 Months)	Current year Quarter 3 (3 Months)	Variance	Variance
	31 March 2015	31 December 2014		
	RM'000	RM'000	RM'000	%
Revenue	69,717	66,130	3,587	5.4%
PBT	10,326	12,638	(2,312)	(18.3%)
PBT Margin (%)	14.8%	19.1%		

The Revenue in current year Quarter 4 was higher by RM3.59 million, representing an improvement of 5.4%, as compared to the current year Quarter 3.

The PBT in current year Quarter 4 decreased by RM2.31 million as compared to the current year Quarter 3. PBT margin was lower at 14.8% as compared to 19.1% in current year Quarter 3. This was mainly due to the higher provision for doubtful debts in the current quarter.

3. Prospects

While the order books remain strong, the Board is cautiously optimistic of the prospects of the Group for the coming financial year in view of the weak CPO prices and a depreciating Indonesian Rupiah as Indonesia is our largest export market.

4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

5. Income Tax Expense

The taxation figures are as follows:

	Current Year Quarter 31-Mar-2015 RM'000	Current Year to-Date 31-Mar-2015 RM'000
Current tax	(2,284)	(13,012)

The effective tax rates of the Group for the current quarter under review were lower than the statutory tax rate of 25%. This was mainly due to over provision of tax in the previous quarter being taken up during the quarter.



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6. Status of Corporate Proposals

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

7. Borrowings

The Group does not hold any borrowings as at 31 March 2015.

8. Derivatives Financial Instruments

As at 31 Mar 2015, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Derivative Liability RM'000
Currency forwards - Less than 1 year	131,925	6,191

9. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

10. Dividend

The Board of Directors proposed a final single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM9,030,000 in respect of FYE 31 March 2015 subject to approval from shareholders at the forthcoming Annual General Meeting.



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11. Earnings Per Share

i. Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
Profit after Taxation attributable to owners of the Company (RM'000)	8,042	10,241	39,155	31,016
Weighted average number of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Basic earnings per share (sen)	1.56	1.98	7.59	6.01

ii. Diluted

The Company does not have any convertible share or convertible financial instruments for the current quarter under review and financial year to-date.

12. Realised and Unrealised profits

Total retained profit of the Group :

	As at 31-Mar-2015 RM'000
- Realised	104,146
- Unrealised	2,101
Total group retained profits as per consolidated accounts	<u>106,247</u>



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13. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Income / (Expenses)	Current Year Quarter 31-Mar-2015 RM'000	Current Year to-Date 31-Mar-2015 RM'000
Interest income	184	1,455
Other income including investment income	35	181
Interest expense	-	-
Depreciation and amortization	(744)	(2,516)
Provision for / (Reversal of) and write off of receivables	(1,481)	1,277
Provision for and write off of inventories	(58)	(58)
Gain or (loss) on disposal of equipment	70	80
Gain or (loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	(5)
Foreign exchange gain or (loss)	(5,857)	(3,750)
Gain or (loss) on derivatives	473	(1,462)
Exceptional Items (with details)	Not Applicable	Not Applicable

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 May 2015.