



BOILERMECH HOLDINGS BERHAD
Company No.897694-T
(Incorporated in Malaysia)

Unaudited Interim Financial Statements for the 4th Quarter Ended 31 March 2017

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Mar-2017 RM'000	Preceding Year Corresponding Quarter 31-Mar-2016 RM'000	Current Year to Date 31-Mar-2017 RM'000	Preceding Year Corresponding Period 31-Mar-2016 RM'000
Revenue	58,182	67,476	237,190	260,109
Cost of sales	(42,215)	(51,243)	(182,661)	(186,629)
Gross profit	15,967	16,233	54,529	73,480
Other operating income and expenses	(5,661)	(9,456)	(21,709)	(33,739)
Finance costs	(70)	(117)	(429)	(159)
Profit before taxation	10,236	6,660	32,391	39,582
Income tax expense	(3,215)	(1,917)	(8,421)	(8,692)
Profit after taxation	7,021	4,743	23,970	30,890
Other Comprehensive Income, Net of Tax				
- Foreign currency translation differences for foreign operation	3	(49)	106	11
- Cash flow hedge	532	7,032	(7,923)	8,662
	535	6,983	(7,817)	8,673
Total Comprehensive Income	7,556	11,726	16,153	39,563
Profit after taxation attributable to :				
Owners of the Company	6,553	4,620	23,120	30,767
Non-controlling interest	468	123	850	123
	7,021	4,743	23,970	30,890
Total comprehensive income attributable to :				
Owners of the Company	7,088	11,603	15,303	39,440
Non-controlling interest	468	123	850	123
	7,556	11,726	16,153	39,563
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)	1.27	0.90	4.48	5.96
Diluted (sen)	N/A	N/A	N/A	N/A

Notes :

N/A - Not applicable

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 2016 and the accompanying explanatory notes attached to this interim financial statements.



BOILERMECH HOLDINGS BERHAD
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(Incorporated in Malaysia)

Unaudited Interim Financial Statements for the 4th Quarter Ended 31 March 2017

Unaudited Condensed Consolidated Statement of Financial Position

	UNAUDITED	AUDITED
	As at	As at
	31-Mar-2017	31-Mar-2016
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,076	83,264
Investment property	6,452	6,583
Deferred tax assets	625	512
Goodwill	3,931	3,931
	<u>91,084</u>	<u>94,290</u>
Current assets		
Inventories	29,149	31,862
Amount owing by contract customers	27,916	39,330
Trade receivables	53,557	93,567
Other receivables, deposits and prepayments	5,158	5,130
Current tax assets	2,284	1,741
Derivative assets	-	6,757
Liquid investments	47,508	15,426
Fixed deposit with a licensed bank	-	121
Cash and bank balance	16,567	10,764
	<u>182,139</u>	<u>204,698</u>
TOTAL ASSETS	<u><u>273,223</u></u>	<u><u>298,988</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	51,600	51,600
Cash flow hedge reserve	(4,035)	3,888
Merger deficit	(21,810)	(21,810)
Foreign currency translation reserve	95	(11)
Retained profits	143,226	127,983
Equity attributable to owners of the Company	<u>169,076</u>	<u>161,650</u>
Non-controlling interests	7,975	7,973
Total Equity	<u>177,051</u>	<u>169,623</u>
Non-current liabilities		
Borrowings	5,350	6,048
Deferred tax liabilities	2,719	1,470
	<u>8,069</u>	<u>7,518</u>
Current liabilities		
Amount owing to contract customers	44,154	53,808
Trade payables	27,872	40,426
Other payables and accruals	12,361	9,833
Short-term borrowings	2,912	17,718
Current tax liabilities	5	62
Derivative liabilities	799	-
	<u>88,103</u>	<u>121,847</u>
TOTAL LIABILITIES	<u>96,172</u>	<u>129,365</u>
TOTAL EQUITY AND LIABILITIES	<u><u>273,223</u></u>	<u><u>298,988</u></u>
Net assets per share attributable to owners of the Company (RM) #	0.33	0.31

Notes :

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 2016 and the accompanying explanatory notes attached to this interim financial statements.



BOILERMECH HOLDINGS BERHAD

Company No.897694-T

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Unaudited Interim Financial Statements for the 4th Quarter Ended 31 March 2017

Unaudited Condensed Consolidated Statement of Cash Flows

	Current Year to Date 31-Mar-2017 RM'000	Preceding Year Corresponding Period 31-Mar-2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	32,391	39,581
Adjustments for :		
Allowance for impairment losses on trade receivables	4,114	3,141
Bad debts written off	235	-
Equipment written off	14	7
Depreciation of property, plant and equipment	4,495	3,715
Depreciation of investment property	131	11
Interest expenses	429	159
Inventories written down	-	395
Inventories written off	526	-
Unrealised (gain) / loss on foreign exchange	(3,274)	4,309
Fair value gain on derivatives	(367)	(4,287)
(Gain) / Loss on disposal of equipment	(268)	1
Interest income	(1,430)	(533)
Write-back of allowance for impairment losses on trade receivables	(2,857)	(3,473)
Operating profit before working capital changes	34,139	43,026
Decrease/(Increase) in amount owing by contract customers	11,414	(7,153)
Decrease in inventories	2,187	111
Decrease/(Increase) in trade and other receivables	41,546	(28,608)
Decrease in trade and other payables	(10,300)	(4,957)
(Decrease) / Increase in amount owing to contract customers	(9,654)	14,430
Cash from operations	69,332	16,849
Interest paid	(429)	(144)
Income tax paid	(7,896)	(7,869)
Net cash from operating activities	61,007	8,836
CASH FLOW FROM / (FOR) INVESTING ACTIVITIES		
Proceeds from disposal of equipment	320	2
Purchase of property, plant and equipment	(1,359)	(2,364)
Interest received	1,430	533
Acquisition of new subsidiary company, net of cash	-	(13,124)
Net cash from / (for) investing activities	391	(14,953)
CASH FLOW (FOR) / FROM FINANCING ACTIVITIES		
Repayment of term loan	(416)	(32)
Repayment of hire purchase obligations	(356)	(35)
(Repayment) / Drawdown of revolving credit	(13,500)	15,000
(Repayment) / Drawdown of banker acceptance	(1,232)	430
Issuance of shares to non-controlling interests	60	-
Acquisition of non-controlling interests	(1,045)	-
Dividends paid	(7,740)	(9,030)
Net cash (for) / from financing activities	(24,229)	6,333
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,169	216
EFFECTS OF FOREIGN EXCHANGE	595	(486)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	26,311	26,581
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	64,075	26,311
CASH AND CASH EQUIVALENTS COMPRISE		
Liquid Investments	47,508	15,426
Deposits with a licensed bank	-	121
Cash and bank balances	16,567	10,764
	64,075	26,311

Note :

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 2016 and the accompanying explanatory notes attached to this interim financial statements.



BOILERMECH HOLDINGS BERHAD
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Unaudited Interim Financial Statements for the 4th Quarter Ended 31 March 2017

Unaudited Condensed Consolidated Statements of Changes in Equity

	← Attributable to owners of the Company →					Total RM'000	Non Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Cash Flow Hedge Reserve RM'000	Merger Deficit RM'000	Foreign Currency Translation Reserve RM'000	Distributable Retained Profits RM'000			
Balance at 1/4/2016	51,600	3,888	(21,810)	(11)	127,983	161,650	7,973	169,623
Profit after taxation for the financial period	-	-	-	-	23,120	23,120	850	23,970
Other comprehensive income for the financial period:								
Cash flow hedge	-	(7,923)	-	-	-	(7,923)	-	(7,923)
Foreign currency translation differences for foreign operation	-	-	-	106	-	106	-	106
Total comprehensive income for the financial period	-	(7,923)	-	106	23,120	15,303	850	16,153
Transactions with owners:								
- Distribution of dividends	-	-	-	-	(7,740)	(7,740)	-	(7,740)
- Issuance of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	60	60
Total transactions with owners	-	-	-	-	(7,740)	(7,740)	60	(7,680)
Changes in ownership interests in a subsidiary	-	-	-	-	(137)	(137)	(908)	(1,045)
Balance at 31/3/2017	51,600	(4,035)	(21,810)	95	143,226	169,076	7,975	177,051
Balance at 1/4/2015	51,600	(4,774)	(21,810)	(22)	106,246	131,240	-	131,240
Profit after taxation for the financial period	-	-	-	-	30,767	30,767	123	30,890
Other comprehensive income for the financial period:								
Cash flow hedge	-	8,662	-	-	-	8,662	-	8,662
Foreign currency translation differences for foreign operation	-	-	-	11	-	11	-	11
Total comprehensive income for the financial period	-	8,662	-	11	30,767	39,440	123	39,563
Transactions with owners:								
Acquisition of a subsidiary	-	-	-	-	-	-	7,850	7,850
Dividends	-	-	-	-	(9,030)	(9,030)	-	(9,030)
Total transactions with owners	-	-	-	-	(9,030)	(9,030)	7,850	(1,180)
Balance at 31/3/2016	51,600	3,888	(21,810)	(11)	127,983	161,650	7,973	169,623

Note :

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 2016 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 2016 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 2016 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s business operations were not significantly affected by any major seasonal factors save for cyclical factor in palm oil industries.

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.



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7. Dividend

The Board of Directors proposed a final single tier dividend of 1.50 sen per ordinary share amounting to RM7,740,000 in respect of FYE 31 March 2017 subject to approval from shareholders at the forthcoming Annual General Meeting.

8. Segmental Reporting

	12- MONTHS FINANCIAL PERIOD ENDED 31-MARCH 2017			
	BIO-ENERGY SYSTEMS *	WATER TREATMENT	OTHERS	GROUP
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	208,244	28,966	-	237,210
Inter-segment sales	-	894	10,000	10,894
	<u>208,244</u>	<u>29,860</u>	<u>10,000</u>	<u>248,104</u>
Adjustments and eliminations				<u>(10,914)</u>
Consolidated revenue				<u>237,190</u>
RESULTS				
Segment results	30,835	3,065	(909)	32,991
Finance costs				(429)
Consolidation adjustment				(171)
Profit before taxation				<u>32,391</u>
Income tax expense				<u>(8,421)</u>
Consolidated Profit after taxation				<u>23,970</u>

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

Geographical Segments for Revenue

	Current year Quarter 31-MAR 2017 RM'000	Current Year to-Date 31-MAR 2017 RM'000
Local	22,984	95,048
Export	35,198	142,142
Total	<u>58,182</u>	<u>237,190</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 2017 RM'000
Company	
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	<u>60,160</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 2017 RM'000
Purchase of Property, plant and equipment	
Approved and contracted for	<u>252</u>

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

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements.

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 2017 RM'000
Sales to related parties	1,996
Purchase from related party	<u>256</u>



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

1. Review of Performance

Individual Quarters	Current year Quarter 4	Preceding year Quarter 4	Variance	Variance
	31 March 2017	31 March 2016		
	RM'000	RM'000	RM'000	%
Revenue	58,182	67,476	(9,294)	(13.8%)
PBT	10,236	6,659	3,577	53.7%
PBT Margin (%)	17.6%	9.9%		

Cumulative Quarters	Current year to date	Preceding year to date	Variance	Variance
	Quarter 4	Quarter 4		
	31 March 2017	31 March 2016		
	RM'000	RM'000	RM'000	%
Revenue	237,190	260,109	(22,919)	(8.8%)
PBT	32,391	39,581	(7,190)	(18.2%)
PBT Margin (%)	13.7%	15.2%		

For the current quarter and current year to date under review, the Group registered revenue of RM58.18 million and RM237.19 million respectively.

The revenue in current quarter decreased by RM9.3 million, representing a decrease of 13.8%, as compared to the revenue achieved in the preceding year corresponding quarter. The revenue in current year to date decreased by RM22.92 million, representing a decrease of 8.8%. The decrease in revenue was mainly due to the decrease in activity levels affected by current market condition and the slowdown in palm oil industry.

The PBT in current quarter increased by RM3.58 million, which represents an increase of 53.7%, as compared to the preceding year corresponding quarter while the PBT on current year to date reduced by RM7.19 million, which represents a decrease of 18.2% as compared to the same period of the preceding year.

PBT margin for current quarter stood at 17.6% as compared to 9.9% PBT margin in the preceding year corresponding quarter. The increase of 7.7% was mainly due to the improved project margin and treatment of foreign exchange differences. The PBT margin for the current 12 month period stood at 13.7% as compared to the 15.2% recorded for the 12 month period of the preceding year, marginally lower by 1.5%.



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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 2017	31 December 2016		
	RM'000	RM'000	RM'000	%
Revenue	58,182	62,814	(4,632)	(7.4%)
PBT	10,236	8,509	1,727	20.3%
PBT Margin (%)	17.6%	13.5%		

The Revenue in current quarter decreased by RM4.63 million, representing a decrease of 7.4%, as compared to the preceding quarter. This was due to the decrease in activity levels.

The PBT in current quarter increased by RM1.72 million as compared to the preceding quarter. PBT margin improved to 17.6% as compared to 13.5% in preceding quarter as a result of improved project margin in current quarter.

3. Prospects

Market environment is expected to remain challenging to the group in next financial year.

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 2017 RM'000	Current Year to-Date 31-MAR 2017 RM'000
Current tax	(3,215)	(8,421)

The effective tax rates of the Group for the current quarter under review and financial year to-date were 31% and 26% respectively. The effective tax rate were higher than the statutory tax rate of 24% due to certain expenses which are not deductible for tax purposes and the recognition of deferred tax liabilities.



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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

	<u>Secured / Unsecured</u>	RM'000
Short term borrowing:-		
Banker Acceptance	Secured	630
Revolving Credit	Secured	1,500
Hire Purchase Creditor (Short Term)	Secured	375
Term Loan (Short Term)	Secured	407
		<hr/> 2,912 <hr/>
	<u>Secured / Unsecured</u>	RM'000
Long term borrowing:-		
Hire Purchase Creditor (Long Term)	Secured	567
Term Loan (Long Term)	Secured	4,783
		<hr/> 5,350 <hr/>

8. Derivatives Financial Instruments

As at 31 March 2017, 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	82,830	799

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 1.50 sen per ordinary share amounting to RM7,740,000 in respect of FYE 31 March 2017 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 31-Mar-2017	Preceding Year Corresponding Quarter 31-Mar-2016	Current Year to-date 31-Mar-2017	Preceding Year Corresponding Period 31-Mar-2016
Profit after Taxation attributable to owners of the Company (RM'000)	6,553	4,620	23,120	30,767
Weighted average number of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Basic earnings per share (sen)	1.27	0.90	4.48	5.96

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 2017 RM'000
- Realised	140,865
- Unrealised	2,361
Total group retained profits as per consolidated accounts	143,226



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

Income / (Expenses)	Current Year Quarter 31-MAR 2017 RM'000	Current Year to-Date 31-MAR 2017 RM'000
Interest income	449	1,430
Other income including investment income	121	497
Interest expense	(70)	(429)
Depreciation and amortisation	(1,192)	(4,626)
Provision for / (Reversal of) and write off of receivables	(281)	(1,492)
Provision for / write off and (write back) of inventories	(115)	(526)
Gain or (loss) on disposal of equipment	48	268
Gain or (loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	(5)	(14)
Foreign exchange gain or (loss)	(4,844)	2,362
Gain or (loss) on derivatives	4,972	367
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 24 May 2017.