



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

Unaudited Interim Financial Statements for the 1st Quarter Ended 30 June 2015

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-2015 RM'000	Preceding Year Corresponding Quarter 30-Jun-2014 RM'000	Current Year to Date 30-Jun-2015 RM'000	Preceding Year Corresponding Period 30-Jun-2014 RM'000
Revenue	60,018	74,142	60,018	74,142
Cost of sales	(42,343)	(58,489)	(42,343)	(58,489)
Gross profit	17,675	15,653	17,675	15,653
Other operating income and expenses	(7,407)	(1,934)	(7,407)	(1,934)
Finance costs	-	-	-	-
Profit before taxation	10,268	13,719	10,268	13,719
Income tax expense	(2,444)	(3,642)	(2,444)	(3,642)
Profit after taxation	7,824	10,077	7,824	10,077
Other Comprehensive Income, Net of Tax				
- Foreign currency translation differences for foreign operation	2	-	2	-
- Cash flow hedge	2,199	1,075	2,199	1,075
	2,201	1,075	2,201	1,075
Total Comprehensive Income	10,025	11,152	10,025	11,152
Profit after taxation attributable to : Owners of the Company	7,824	10,077	7,824	10,077
Total comprehensive income attributable to : Owners of the Company	10,025	11,152	10,025	11,152
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)	1.52	1.95	1.52	1.95
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 2015 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 previous financial year



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Unaudited Condensed Consolidated Statement of Financial Position

	UNAUDITED	AUDITED
	As at	As at
	30-Jun-2015	31-Mar-2015
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,117	75,848
Deferred tax assets	173	163
	<u>75,290</u>	<u>76,011</u>
Current assets		
Inventories	29,179	29,577
Amount owing by contract customers	26,303	28,347
Trade receivables	82,445	63,733
Other receivables, deposits and prepayments	5,491	2,758
Tax refundable	2,777	2,197
Liquid investments	14,700	12,943
Cash and bank balances	8,857	13,638
	<u>169,752</u>	<u>153,193</u>
TOTAL ASSETS	<u><u>245,042</u></u>	<u><u>229,204</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	51,600	51,600
Foreign currency translation reserve	(20)	(22)
Cash flow hedge reserve	(2,575)	(4,774)
Merger deficit	(21,810)	(21,810)
Retained profits	114,070	106,246
Total equity	<u>141,265</u>	<u>131,240</u>
Current liabilities		
Amount owing to contract customers	46,090	39,194
Trade payables	39,507	38,351
Other payables and accruals	14,389	14,221
Provision for taxation	-	7
Derivative liabilities	3,791	6,191
	<u>103,777</u>	<u>97,964</u>
TOTAL LIABILITIES	<u>103,777</u>	<u>97,964</u>
TOTAL EQUITY AND LIABILITIES	<u><u>245,042</u></u>	<u><u>229,204</u></u>
Net assets per share attributable to owners of the Company (RM) #	0.27	0.25

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 previous 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 2015 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 30-Jun-2015 RM'000	Preceding Year Corresponding Period 30-Jun-2014 RM'000
CASH FLOW FOR OPERATING ACTIVITIES		
Profit before taxation	10,268	13,719
Adjustments for :		
Allowance for impairment losses on trade receivables	2,031	785
Depreciation of property, plant and equipment	821	570
Unrealised (gain) / loss on foreign exchange	(37)	277
Fair value gain on derivatives	(201)	(666)
Gain on disposal of equipment	-	(10)
Interest income	(99)	(448)
Write-back of allowance for impairment losses on trade receivables	(1,608)	(2,342)
Operating profit before working capital changes	11,175	11,885
Decrease in amount owing by contract customers	2,044	1,988
Decrease in inventories	398	1,270
Increase in trade and other receivables	(22,051)	(26,926)
Increase in trade and other payables	1,341	6,172
Increase in amount owing to contract customers	6,896	1,464
Cash for operations	(197)	(4,147)
Income tax paid	(3,041)	(1,954)
Net cash for operating activities	(3,238)	(6,101)
CASH FLOW FROM / (FOR) INVESTING ACTIVITIES		
Proceeds from disposal of equipment	-	10
Purchase of property, plant and equipment	(90)	(1,290)
Interest received	99	448
Net cash from / (for) investing activities	9	(832)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,229)	(6,933)
EFFECTS OF FOREIGN EXCHANGE	205	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	26,581	74,049
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	23,557	67,116
CASH AND CASH EQUIVALENTS COMPRISE		
Liquid Investments	14,700	59,759
Cash and bank balances	8,857	7,357
	23,557	67,116

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 2015 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 1/4/2015	51,600	-	(22)	(4,774)	(21,810)	106,246	131,240
Profit after taxation for the financial period	-	-	-	-	-	7,824	7,824
Other comprehensive income for the financial period:							
Foreign currency translation differences for foreign operation	-	-	2	-	-	-	2
Cash flow hedge	-	-	-	2,199	-	-	2,199
Total comprehensive income for the financial period	-	-	2	2,199	-	7,824	10,025
Balance at 30/6/2015	51,600	-	(20)	(2,575)	(21,810)	114,070	141,265
Balance at 1/4/2014	25,800	7,619	-	134	(21,810)	93,013	104,756
Profit after taxation for the financial period	-	-	-	-	-	10,077	10,077
Other comprehensive income for the financial period:							
Cash flow hedge	-	-	-	1,075	-	-	1,075
Total comprehensive income for the financial period	-	-	-	1,075	-	10,077	11,152
Balance at 30/6/2014	25,800	7,619	-	1,209	(21,810)	103,090	115,908

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 2015 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 2015 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 2015 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.



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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

	3- MONTHS FINANCIAL PERIOD ENDED 30-JUNE 2015		
	BIO-ENERGY SYSTEMS *	OTHERS	GROUP
	RM'000	RM'000	RM'000
REVENUE			
External sales	60,018	-	60,018
Inter-segment sales	-	-	-
	<u>60,018</u>	<u>-</u>	<u>60,018</u>
Adjustments and eliminations			<u>-</u>
Consolidated revenue			<u>60,018</u>
RESULTS			
Segments results	10,574	(306)	10,268
Finance costs			<u>-</u>
Profit before taxation			<u>10,268</u>
Income tax expense			<u>(2,444)</u>
Consolidated Profit after taxation			<u>7,824</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 30-JUNE 2015 RM'000	Current Year to-Date 30-JUNE 2015 RM'000
Local	24,196	24,196
Export	35,822	35,822
Total	<u>60,018</u>	<u>60,018</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 30-JUNE 2015 RM'000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	<u>48,847</u>

11. Capital Commitments

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

	Current Year to-Date 30-JUNE 2015 RM'000
Purchase of Property, plant and equipment	
Approved and contracted for	<u>514</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 30-JUNE 2015 RM'000
Sales to related parties	412
Purchase from related party	<u>86</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 1	Preceding year Quarter 1	Variance	Variance
	30 June 2015	30 June 2014		
	RM'000	RM'000	RM'000	%
Revenue	60,018	74,142	(14,124)	(19.0%)
PBT	10,268	13,719	(3,451)	(25.2%)
PBT Margin (%)	17.1%	18.5%		

For the current quarter and current year to date under review, the Group registered revenue of RM60.01 million.

The revenue in current year Quarter 1 decreased by RM14.12 million, representing a decrease of 19.0%, as compared to the revenue achieved in the preceding year corresponding quarter. The decrease in revenue was mainly due to the decrease in deliveries of boiler.

The PBT in current year Quarter 1 decreased by RM3.45 million, which represents a decrease of 25.2%, as compared to the preceding year corresponding quarter.

PBT margin for current year Quarter 1 stood at 17.1% as compared to 18.5% PBT margin in the preceding year corresponding quarter. The slightly lower margins for current year Quarter 1 was impacted by the provision for doubtful debts in the current quarter as compared to a reversal in the preceding year corresponding quarter.

2. Material Changes To The Results Of The Preceding Quarter

Individual Quarter	Current year Quarter 1 (3 Months)	Preceding year Quarter 4 (3 Months)	Variance	Variance
	30 June 2015	31 March 2015		
	RM'000	RM'000	RM'000	%
Revenue	60,018	69,717	(9,699)	(13.9%)
PBT	10,268	10,326	(58)	(0.6%)
PBT Margin (%)	17.1%	14.8%		

The Revenue in current year Quarter 1 was lower by RM9.69 million, representing a decrease of 13.9%, as compared to the preceding year Quarter 4.

The PBT in current year Quarter 1 slightly decreased by RM0.06 million as compared to the preceding year Quarter 4. PBT margin was higher at 17.1% as compared to 14.8% in preceding year Quarter 4. The lower margin in preceding year Quarter 4 was due to the higher provision for doubtful debts during that quarter.



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3. Prospects

While the order books remain strong, the Board is cautiously optimistic of the prospects of the Group for the current 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 30-JUNE 2015 RM'000	Current Year to-Date 30-JUNE 2015 RM'000
Current tax	(2,444)	(2,444)

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 30 June 2015.

8. Derivatives Financial Instruments

As at 30 June 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	111,709	3,791



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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.

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 30-June-2015	Preceding Year Corresponding Quarter 30-June-2014	Current Year to-date 30-June-2015	Preceding Year Corresponding Period 30-June-2014
Profit after Taxation attributable to owners of the Company (RM'000)	7,824	10,077	7,824	10,077
Weighted average number of ordinary shares in issue ('000)	516,000	516,000	516,000	516,000
Basic earnings per share (sen)	1.52	1.95	1.52	1.95

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.



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12. Realised and Unrealised profits

Total retained profit of the Group :

	As at 30-JUNE 2015 RM'000
- Realised	111,732
- Unrealised	2,338
Total group retained profits as per consolidated accounts	114,070

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

Income / (Expenses)	Current Year Quarter 30-JUNE 2015 RM'000	Current Year to-Date 30-JUNE 2015 RM'000
Interest income	99	99
Other income including investment income	14	14
Interest expense	-	-
Depreciation and amortization	(821)	(821)
Provision for / (Reversal of) and write off of receivables	(423)	(423)
Provision for and write off of inventories	-	-
Gain or (loss) on disposal of equipment	-	-
Gain or (loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or (loss)	(2,700)	(2,700)
Gain or (loss) on derivatives	201	201
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 19 August 2015.