



PANTECH GROUP HOLDINGS BERHAD

Company No. 200601013856 (733607-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MAY 2021**

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2021 RM'000	Preceding Year Corresponding Quarter 31/05/2020 RM'000	Current Year To Date 31/05/2021 RM'000	Preceding Year Corresponding Period 31/05/2020 RM'000
Revenue	148,500	80,663	148,500	80,663
Operating Expenses	(130,153)	(83,857)	(130,153)	(83,857)
Other Operating Income	1,653	524	1,653	524
Profit / (Loss) from Operations	20,000	(2,670)	20,000	(2,670)
Finance Cost	(1,489)	(1,969)	(1,489)	(1,969)
Share of profit in associate company	129	13	129	13
Profit / (Loss) before taxation	18,640	(4,626)	18,640	(4,626)
Taxation	(3,450)	(925)	(3,450)	(925)
Profit / (Loss) for the period	15,190	(5,551)	15,190	(5,551)
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	2,086	6	2,086	6
Realisation of revaluation reserve upon depreciation of revalued asset	227	227	227	227
Transfer of revaluation reserve to unappropriated profit	(227)	(227)	(227)	(227)
Fair value loss on cash flow hedge	(7)	(68)	(7)	(68)
Total comprehensive income for the period	17,269	(5,613)	17,269	(5,613)
Profit / (Loss) for the period attributable to:				
Owners of the Company	15,190	(5,551)	15,190	(5,551)
Non-controlling interest	-	-	-	-
	15,190	(5,551)	15,190	(5,551)
Total comprehensive income / (loss) for the period attributable to:				
Owners of the Company	17,269	(5,613)	17,269	(5,613)
Non-controlling interest	-	-	-	-
	17,269	(5,613)	17,269	(5,613)
Earnings per share				
(a) Basic earnings per ordinary share (sen)	2.01	(0.75)	2.01	(0.75)
(b) Diluted earnings per ordinary share (sen)	1.99	(0.75)	1.99	(0.75)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to the interim financial reports.



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	31/05/2021	28/02/2021
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	329,295	330,781
Capital Work-in-progress	12,477	10,086
Investment Properties	6,300	6,300
Investment In An Associate Company	2,890	2,761
Deferred Tax Assets	3	3
	<u>350,965</u>	<u>349,931</u>
Current Assets		
Inventories	287,311	289,084
Trade and Other Receivables	132,945	105,586
Amount Due from An Associate Company	26,708	23,826
Derivatives Financial Instruments	-	6
Fixed Deposits with Licensed Banks	2,672	2,665
Cash and Bank Balances	132,882	135,051
	<u>582,518</u>	<u>556,218</u>
TOTAL ASSETS	<u>933,483</u>	<u>906,149</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	216,381	210,312
Treasury Shares	(2,511)	(1,772)
Revaluation Reserve	60,439	60,666
Warrants Reserve	7,294	7,294
Other Reserves	15,638	14,661
Unappropriated Profit	398,679	383,262
TOTAL EQUITY	<u>695,920</u>	<u>674,423</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	39,940	41,539
Lease liabilities	10,479	10,301
Deferred Tax Liabilities	14,505	14,620
	<u>64,924</u>	<u>66,460</u>
Current Liabilities		
Trade and Other Payables	38,187	34,724
Overdraft and Short Term Borrowings	127,376	121,476
Amount Due to An Associate Company	5	-
Lease liabilities	3,236	3,025
Tax Payable	3,835	2,288
Dividend Payable	-	3,753
	<u>172,639</u>	<u>165,266</u>
Total Liabilities	<u>237,563</u>	<u>231,726</u>
TOTAL EQUITY AND LIABILITIES	<u>933,483</u>	<u>906,149</u>
NET ASSETS PER SHARE (RM)	0.91	0.90

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to the interim financial reports.

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2021**

	GROUP 31/05/2021 RM'000	GROUP 31/05/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	18,640	(4,626)
Adjustments for:		
Allowance for impairment of receivables (net)	768	918
(Reversal of allowance)/Allowance for slow moving inventories (net)	(62)	243
Depreciation of property, plant and equipment	4,002	3,892
Depreciation of right-of-use assets	836	814
Interest expense	1,123	1,673
Bad debts written off	-	2
Interest expense on lease liabilities	177	183
Interest income	(371)	(327)
Gain on disposal of property, plant and equipment	(17)	-
Gain on fair value of derivatives financial instruments	(1)	-
Unrealised exchange loss / (gain) on foreign exchange	5	(451)
Other non-cash items	(48)	20
Operating profit before changes in working capital	25,052	2,341
Changes in working capital:-		
Inventories	1,836	(5,056)
Receivables	(27,702)	3,503
Payables	3,429	9,533
Associate company	(2,877)	(1,290)
Cash (used in) / generated from operations	(262)	9,031
Tax paid (net)	(2,389)	(2,314)
Net cash (used in) / generated from operating activities	(2,651)	6,717
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	371	327
Purchase of property, plant and equipment	(2,991)	(149)
Proceeds from disposal of property, plant and equipment	105	-
Capital work-in-progress incurred	(2,391)	(421)
Net cash used in investing activities	(4,906)	(243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,753)	(3,717)
Proceeds from issuance of share capital	4,887	3
Purchase of treasury shares	(739)	(2,305)
Government grant received	-	163
Interest paid	(1,339)	(1,324)
Repayment of lease liabilities	(736)	(323)
Drawdown of short-term borrowings	6,513	13,025
Drawdown of borrowings	3,267	-
Repayment of borrowings	(4,352)	(2,801)
Net cash generated from financing activities	3,748	2,721
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,809)	9,195
EFFECT OF EXCHANGE RATE CHANGES	1,647	272
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	137,716	88,701
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	135,554	98,168

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to the interim financial reports.



PANTECH GROUP HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2021

	← Attributable to Owners of the Company →								
	← Non-Distributable →						Distributable		
	Share Capital RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000	Total Equity RM'000
Balance as at 1 March 2020	209,920	(892)	14,749	61,750	4,297	8,102	95	360,866	658,887
Transactions with owners:									
Issuance of shares pursuant to exercise of ESOS	4	-	-	-	(1)	-	-	-	3
Acquisition of treasury shares	-	(2,305)	-	-	-	-	-	-	(2,305)
Share options granted under ESOS	-	-	-	-	194	-	-	-	194
Total transactions with owners	4	(2,305)	-	-	193	-	-	-	(2,108)
Loss for the period	-	-	-	-	-	-	-	(5,551)	(5,551)
Other comprehensive income for the period	-	-	-	(227)	-	6	(68)	227	(62)
Total comprehensive income for the period	-	-	-	(227)	-	6	(68)	(5,324)	(5,613)
Balance as at 31 May 2020	209,924	(3,197)	14,749	61,523	4,490	8,108	27	355,542	651,166

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to the interim financial reports



PANTECH GROUP HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2021 (continued)

	← Attributable to Owners of the Company →									
	← Non-Distributable →					Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000	Total RM'000	Total Equity RM'000
Balance as at 1 March 2021	210,312	(1,772)	7,294	60,666	4,949	9,705	7	383,262	674,423	674,423
Transactions with owners:										
Issuance of shares pursuant to exercise of ESOS	6,068	-	-	-	(1,182)	-	-	-	4,886	4,886
Issuance of shares pursuant to exercise of Warrants	1	-	-	-	-	-	-	-	1	1
Acquisition of treasury shares	-	(739)	-	-	-	-	-	-	(739)	(739)
Share options granted under ESOS	-	-	-	-	80	-	-	-	80	80
Total transactions with owners	6,069	(739)	-	-	(1,102)	-	-	-	4,228	4,228
Profit for the period	-	-	-	-	-	-	-	15,190	15,190	15,190
Other comprehensive income for the period	-	-	-	(227)	-	2,086	(7)	227	2,079	2,079
Total comprehensive income for the period	-	-	-	(227)	-	2,086	(7)	15,417	17,269	17,269
Balance as at 31 May 2021	216,381	(2,511)	7,294	60,439	3,847	11,791	-	398,679	695,920	695,920

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021 and the accompanying explanatory notes attached to the interim financial reports



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of properties included within property, plant and equipment and investment properties which are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2021.

A2 Summary of Significant Accounting Policies

(a) Adoption of new or revised MFRSs

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for year ended 28 February 2021, except for adoption of the new and revised MFRSs and IC Interpretations approved by the Malaysian Accounting Standards Board and applicable for current financial year. The initial application of the new and revised MFRSs and interpretations has no material impacts to this interim financial statements.

(b) Standards Issued But Not Yet Effective

At the date of authorisation of this interim financial statement, the MASB has approved certain new standards, amendments and interpretations to existing standards which are not yet effective, and have not been early adopted by the Group.

(i) Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 – *Business Combinations*
- Amendments to MFRS 116 – *Property, Plant and Equipment*
- Amendments to MFRS 137 – *Provisions, Contingent Liabilities and Contingent Assets*
- Annual Improvements to MFRS Standards 2018 – 2020



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A2 Summary of Significant Accounting Policies (continued)

(b) Standards Issued But Not Yet Effective (continued)

(ii) MFRS and Amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 – *Insurance Contracts*
- Amendments to MFRS 4 – *Insurance Contracts**
- Amendments to MFRS 17 – *Insurance Contracts*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 108 – *Accounting Policies, Changes in Accounting Estimates and Errors*

(iii) Amendments effective for date yet to be confirmed

- Amendments to MFRS 10 – *Consolidated Financial Statements*
- Amendments to MFRS 128 – *Investments in Associates and Joint Ventures*

*Not applicable to the Group's and the Company's operations

The management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The initial application of the new standards, amendments and interpretations are not expected to have any material impacts to the interim financial statement of the Group.

A3 Audit Report of Preceding Annual Financial Statement

The audited financial statements of the Company and its subsidiary companies for the financial year ended 28 February 2021 were not subject to any audit qualification.

A4 Seasonal or Cyclical Factors

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

A5 Significant Matters, Unusual Items or Transactions due to Their Nature, Size or Incidence

There were no significant matters, unusual items or transactions that affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

A6 Material Changes in Estimates

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



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A7 Debt and Equity Securities

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company:

a) Treasury Shares

During the current financial year-to-date under review, the Company had purchased 1,530,800 ordinary share or 0.20% of its issued share capital from the open market at the average price paid of RM0.48 per share. The purchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act, 2016.

The Company has the right to cancel, resell any shares purchased and/or distributes as dividends at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended.

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 757,299,009 ordinary shares.

b) Employees' Share Option Scheme ("ESOS")

During the current financial year-to-date under review, 11,745,500 number of ordinary shares were issued under the Company's ESOS.

c) Warrants 2016/2021 ("Warrant B")

During the current financial year-to-date under review, a total of 1,530 units of Warrant B were exercised at the exercised price of RM0.50 per unit.

A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
Third interim dividend in respect of financial year ended 28 February 2021, paid on 16 April 2021 Single tier dividend of 0.50 sen per ordinary share	3,753	
Third Interim dividend in respect of financial year ended 29 February 2020, paid on 10 April 2020 Single tier dividend of 0.50 sen per ordinary share		3,717
	3,753	3,717



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9 Segment Information

The Group is principally engaged in the business segments of trading of PVF*, manufacturing of pipes and pipe fittings, galvanising, investments and management.

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings, galvanising RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 31 May 2021					
Revenue					
External Revenue	73,974	74,526	-	-	148,500
Intersegment revenue	6,161	12,302	4,742	(23,205)	-
Total revenue	80,135	86,828	4,742	(23,205)	148,500
Segment Profit	10,222	8,718	5,071	(4,382)	19,629
Interest income					371
Finance costs					(1,489)
Share of profit in associate					129
Profit before tax					18,640
Period Ended 31 May 2020					
Revenue					
External Revenue	49,045	31,618	-	-	80,663
Intersegment revenue	4,483	4,987	5,016	(14,486)	-
Total revenue	53,528	36,605	5,016	(14,486)	80,663
Segment Profit / (Loss)	2,424	(6,386)	4,626	(3,661)	(2,997)
Interest income					327
Finance costs					(1,969)
Share of profit in associate					13
Loss before tax					(4,626)

* PVF: Represents pipes, valves and fittings.



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9 Segment Information (continued)

Analysis of the Group's revenue by geographical segments:

	Revenue	
	-- 3 months ended 31 May 2021 --	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	164,292	87,527
Generated by overseas operation	7,413	7,622
	171,705	95,149
Inter-segments elimination	(23,205)	(14,486)
	148,500	80,663

A10 Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

There was no change to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2021.

A11 Material Events Subsequent to the End of the Interim Period

There were no significant material events subsequent to the current financial quarter to date of this announcement, which is likely to substantially affect the results and the operations of the Group.

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

As at the date of this announcement, there were no material contingent liabilities incurred by the Group which, upon crystallization would have a material impact on the financial position and business of the Group.

The Company has provided the following corporate guarantees to financial institutions and suppliers for credit facilities granted to its subsidiaries: -

	31 May 2021
	RM'000
Corporate guarantees	<u>577,837</u> *

* Represents the total limit of Pantech's corporate guarantee



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 May 2021 are as follows:

	31 May 2021
	RM'000
Approved and contracted for	<u>1,713</u>



INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Performance

Business Segment	Revenue Current Quarter		Revenue 3 months to	
	31-May-21	31-May-20	31-May-21	31-May-20
	RM'000	RM'000	RM'000	RM'000
Trading	73,974	49,045	73,974	49,045
Manufacturing	74,526	31,618	74,526	31,618
Investment and Management	-	-	-	-
Consolidated Total	148,500	80,663	148,500	80,663

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 3 months to	
	31-May-21	31-May-20	31-May-21	31-May-20
	RM'000	RM'000	RM'000	RM'000
Trading	9,988	2,501	9,988	2,501
Manufacturing	8,985	(6,092)	8,985	(6,092)
Investment and Management	(333)	(1,035)	(333)	(1,035)
Consolidated Total	18,640	(4,626)	18,640	(4,626)

Trading Division

For the current quarter and 3 months ended 31 May 2021, the trading division recorded higher external revenue of RM73.97 million (Q1FY21: RM49.05 million) and a higher segment profit before tax of RM9.99 million (Q1FY21: RM2.50 million), an increase of approximately RM24.92 million (50.81%) and an increase of RM7.49 million (299.60%) respectively.

The higher revenue and segment profit before tax was mainly due to full trading operation during current quarter compared to partial operation arising from MCO imposed by the government last year. In addition, a better product mix has contributed a higher segment profit before tax for the current quarter and 3 months ended 31 May 2021.

Manufacturing Division

For the current quarter and 3 months ended 31 May 2021, the manufacturing division recorded higher external revenue of RM74.53 million (Q1FY21: RM31.62 million) and a higher segment profit before tax of RM8.99 million (Q1FY21: loss before tax of RM6.09 million), an increase of approximately RM42.91 million (135.71%) and RM15.08 million (247.62%) respectively.



INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B1 Review of Performance (continued)

Manufacturing Division (continued)

The higher revenue and segment profit before tax for the current quarter and 3 months ended 31 May 2021 was mainly due to full manufacturing operation during current quarter to meet robust export demand compared to partial operation arising from MCO imposed by the government last year.

Investment and Management Division

This is mainly inter-group dividend and management fees income and group related expenses.

Group Performance

For the current quarter and 3 months ended 31 May 2021, the Group registered a higher revenue of RM148.50 million (Q1FY21: RM80.66 million) and a higher profit before tax ("PBT") of RM18.64 million (Q1FY21: Loss before tax of RM4.63 million). The higher revenue and profit before tax was mainly due to full trading and manufacturing operation during current quarter compared to partial operation arising from MCO imposed by the government last year.

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group reported a higher revenue of RM148.50 million compared to the preceding quarter of RM136.25 million, and higher profit after taxation ("PAT") of RM15.19 million compared to preceding quarter of RM12.55 million. The higher PAT was mainly due to better product mix and robust export demand for manufactured products.

B3 Prospects

The current Covid-19 vaccine roll out around the world and Malaysia is expected to bring positive impact to business confidence and in turn, an improved economic activities that lead to projected economic recovery and positive oil demand. Thus, the Group believe the demands for our products will improve in both domestic and international market.

The Group will prudently continue to focus on its existing revenue generating businesses and seek opportunities to grow its businesses, both local and overseas, by enhancing its competitiveness as the major pipes, valves and fittings solutions provider to the oil and gas industries, related upstream and downstream industries.

Barring further unforeseen circumstances, the Group is optimistic on it's overall performance for the current financial year in view of rising oil and gas prices and the availability of Covid-19 vaccines.

B4 Variance on Profit Forecast/Profit Guarantee

There is no profit forecast or guarantee issued by the Group for the current financial year and quarter under review.



INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-21 RM'000	Preceding Year Corresponding Quarter 31-May-20 RM'000	Current Year To Date 31-May-21 RM'000	Preceding Year Corresponding Period 31-May-20 RM'000
Current taxation	3,600	1,199	3,600	1,199
(Over) / under provision in prior year	(27)	0	(27)	0
Transferred from/(to) deferred tax assets	(57)	(207)	(57)	(207)
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(67)	(66)	(67)
	3,450	925	3,450	925

Tax expense for the current quarter and financial year-to-date ended 31 May 2021 is derived based on management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is lower than the statutory rate, mainly due to utilization of the tax incentive by the subsidiary companies.

B6 Status of Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this quarterly report.



INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B7 Group Borrowings and Lease Liabilities

The Group's borrowings as at the end of the reporting quarter are as follows: -

<u>Borrowings</u>	Current RM'000	Non-current RM'000
<u>Unsecured: -</u>		
- Term loans	15,548	39,940
- Bankers' acceptances, trust receipts and other short term loan	92,109	-
- Foreign currency loan	19,719	-
	<u>127,376</u>	<u>39,940</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	4,606	19,012
GBP Pound	122	707

<u>Lease Liabilities</u>	Current RM'000	Non-current RM'000
Lease Liabilities	<u>3,236</u>	<u>10,479</u>

B8 Material Litigation

There are no pending material litigations as at the date of this quarterly report that has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially affect the position or business of the Group.

B9 Dividends

The Board of Directors has approved and declared a first interim single tier dividend of 0.50 sen per ordinary share in respect of the financial year ending 28 February 2022 (Preceding year corresponding quarter: 0.30 sen). The first interim dividend will be paid on 8 October 2021 to shareholders whose name appear on the Company's Record of Depositors on 30 September 2021.

The total dividend per share for the current financial year is 0.50 sen single per dividend per ordinary share (Preceding year corresponding period: 0.30 sen).



INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B10 Earnings per Share

a) Basic Earnings per Share

Basic Earnings Per Share is calculated by dividing profit for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period: -

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-May-21	31-May-20	31-May-21	31-May-20
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	15,190	(5,551)	15,190	(5,551)
Weighted average number of ordinary share in issue ('000)	754,218	742,990	754,218	742,990
Basic earnings per ordinary share (sen)	2.01	(0.75)	2.01	(0.75)

b) Diluted Earnings per Share

The Diluted Earnings per Share is calculated by dividing the profit attributable to the owners of the Company on the weighted average number of ordinary shares in issue during the period which has been adjusted for the dilutive effect of ordinary shares that would be issued upon conversion of ESOS and Warrants.



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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B10 Earnings per Share (continued)

b) Diluted Earnings per Share (continued)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-May-21 RM'000	31-May-20 RM'000	31-May-21 RM'000	31-May-20 RM'000
Net profit/(loss) attributable to owners of the Company:	15,190	(5,551)	15,190	(5,551)
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	754,218	742,990	754,218	742,990
Adjustment for dilutive effect on exercise of Warrants ('000)	2,437	-	2,437	-
Adjustment for dilutive effect on exercise of ESOS options ('000)	5,183	-	5,183	-
	761,838	742,990	761,838	742,990
Diluted earnings per ordinary share (sen)	1.99	(0.75)	1.99	(0.75)

B11 Share Buy Back

As at end of current quarter, a total of 6,205,893 ordinary shares were retained as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act, 2016. The average price paid for the shares purchased was RM0.40 per share.



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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

B12 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 31-May-21 RM'000	Financial Year Ended 31-May-21 RM'000
Interest income	371	371
Other income including investment income	58	58
Interest expense	(1,300)	(1,300)
Depreciation and amortization	(4,838)	(4,838)
Allowance for impairment and write off of receivables	(768)	(768)
Reversal for slow moving and write off of inventories	62	62
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	17	17
Realised foreign exchange gain	1,085	1,085
Unrealised foreign exchange loss	(5)	(5)
Gain on derivatives	1	1
Exceptional items	-	-

Date: 22 July 2021