

**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 2022**

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2022 RM'000	Preceding Year Corresponding Quarter 31/05/2021 RM'000	Current Year To Date 31/05/2022 RM'000	Preceding Year Corresponding Period 31/05/2021 RM'000
<b>Revenue</b>	<b>270,676</b>	148,500	<b>270,676</b>	148,500
Operating Expenses	(234,505)	(129,180)	(234,505)	(129,180)
Other Operating Income	1,918	680	1,918	680
<b>Profit from Operations</b>	<b>38,089</b>	<b>20,000</b>	<b>38,089</b>	<b>20,000</b>
Finance Cost	(1,763)	(1,489)	(1,763)	(1,489)
Share of profit in associate company	128	129	128	129
<b>Profit before taxation</b>	<b>36,454</b>	<b>18,640</b>	<b>36,454</b>	<b>18,640</b>
Taxation	(10,050)	(3,450)	(10,050)	(3,450)
<b>Profit for the period</b>	<b>26,404</b>	<b>15,190</b>	<b>26,404</b>	<b>15,190</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	(1,011)	2,086	(1,011)	2,086
Realisation of revaluation reserve upon depreciation of revalued asset	809	227	809	227
Transfer of revaluation reserve to unappropriated profit	(809)	(227)	(809)	(227)
Fair value loss on cash flow hedge	-	(7)	-	(7)
Total comprehensive income for the period	<b>25,393</b>	<b>17,269</b>	<b>25,393</b>	<b>17,269</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	26,404	15,190	26,404	15,190
Non-controlling interest	-	-	-	-
	<b>26,404</b>	<b>15,190</b>	<b>26,404</b>	<b>15,190</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	25,393	17,269	25,393	17,269
Non-controlling interest	-	-	-	-
	<b>25,393</b>	<b>17,269</b>	<b>25,393</b>	<b>17,269</b>
<b>Earnings per share</b>				
(a) Basic earnings per ordinary share (sen)	<b>3.22</b>	<b>2.01</b>	<b>3.22</b>	<b>2.01</b>
(b) Diluted earnings per ordinary share (sen)	<b>3.19</b>	<b>1.99</b>	<b>3.19</b>	<b>1.99</b>

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 2022 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 2022

	31/05/2022 Unaudited	28/02/2022 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	326,634	321,198
Capital Work-in-progress	13,776	13,537
Investment Properties	14,225	11,800
Investment In An Associate Company	2,713	2,585
Other Investments	984	438
Goodwill on Acquisition	2,161	-
Deferred Tax Assets	3	3
	<u>360,496</u>	<u>349,561</u>
<b>Current Assets</b>		
Inventories	336,334	400,832
Trade and Other Receivables	221,191	229,067
Amount Due from An Associate Company	8,037	8,790
Fixed Deposits with Licensed Banks	2,702	2,693
Cash and Bank Balances	221,575	178,587
	<u>789,839</u>	<u>819,969</u>
<b>TOTAL ASSETS</b>	<u><b>1,150,335</b></u>	<u><b>1,169,530</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	260,256	258,892
Share Application Money	126	29
Treasury Shares	(7,591)	(7,591)
Revaluation Reserve	59,406	59,759
Other Reserves	12,140	13,170
Unappropriated Profit	457,124	429,911
<b>TOTAL EQUITY</b>	<u><b>781,461</b></u>	<u><b>754,170</b></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long Term Borrowings	29,419	32,504
Lease liabilities	9,299	9,280
Deferred Tax Liabilities	24,337	23,949
	<u>63,055</u>	<u>65,733</u>
<b>Current Liabilities</b>		
Trade and Other Payables	72,453	149,990
Overdraft and Short Term Borrowings	225,397	187,479
Derivative Financial Instruments	-	4
Lease liabilities	2,012	2,278
Tax Payable	5,957	1,679
Dividend Payable	-	8,197
	<u>305,819</u>	<u>349,627</u>
<b>Total Liabilities</b>	<u><b>368,874</b></u>	<u><b>415,360</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,150,335</b></u>	<u><b>1,169,530</b></u>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.93</b>	<b>0.90</b>

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 2022 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 2022**

	<b>GROUP 31/05/2022 RM'000</b>	<b>GROUP 31/05/2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>36,454</b>	18,640
Adjustments for:		
Allowance for impairment of receivables (net)	<b>127</b>	768
Reversal of allowance for slow moving inventories (net)	<b>(1,015)</b>	(62)
Depreciation of property, plant and equipment	<b>3,725</b>	4,002
Depreciation of right-of-use assets	<b>846</b>	836
Interest expense	<b>1,361</b>	1,123
Interest expense on lease liabilities	<b>150</b>	177
Interest income	<b>(451)</b>	(371)
Gain on disposal of property, plant and equipment	<b>(242)</b>	(17)
Fair value loss on other investments	<b>39</b>	-
Gain on fair value of derivatives financial instruments	<b>(4)</b>	(1)
Unrealised exchange (gain)/loss on foreign exchange	<b>(1,743)</b>	5
Other non-cash items	<b>130</b>	(48)
<b>Operating profit before changes in working capital</b>	<b>39,377</b>	25,052
Changes in working capital:-		
Inventories	<b>65,513</b>	1,836
Receivables	<b>8,372</b>	(27,702)
Payables	<b>(80,018)</b>	3,429
Associate company	<b>753</b>	(2,877)
<b>Cash generated from operations</b>	<b>33,997</b>	(262)
Tax paid (net)	<b>(5,518)</b>	(2,389)
<b>Net cash generated from/(used in) operating activities</b>	<b>28,479</b>	(2,651)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	<b>119</b>	-
Interest received	<b>451</b>	371
Purchase of property, plant and equipment	<b>(933)</b>	(2,991)
Payment for investment property	<b>(225)</b>	-
Proceeds from disposal of property, plant and equipment	<b>259</b>	105
Capital work-in-progress incurred	<b>(238)</b>	(2,391)
Purchase of other investments	<b>(585)</b>	-
<b>Net cash used in investing activities</b>	<b>(1,152)</b>	(4,906)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(8,197)</b>	(3,753)
Proceeds from issuance of share capital	<b>1,090</b>	4,887
Purchase of treasury shares	<b>-</b>	(739)
Interest paid	<b>(1,531)</b>	(1,339)
Share application money received	<b>97</b>	-
Repayment of lease liabilities	<b>(825)</b>	(736)
Drawdown of short-term borrowings	<b>38,914</b>	6,513
Drawdown of borrowings	<b>-</b>	3,267
Repayment of borrowings	<b>(13,456)</b>	(4,352)
<b>Net cash generated from financing activities</b>	<b>16,092</b>	3,748
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>43,419</b>	(3,809)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(422)</b>	1,647
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>181,280</b>	137,716
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>224,277</b>	135,554

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 2022 and the accompanying explanatory notes attached to the interim financial reports.





**PANTECH GROUP HOLDINGS BERHAD**

Company No. 200601013856 (733607-W)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2022 (continued)**

	Attributable to Owners of the Company							Unappropriated Profits RM'000	Total RM'000	Total Equity RM'000
	Share Capital RM'000	Share Application Money RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000			
<b>Balance as at 1 March 2022</b>	258,892	29	(7,591)	-	59,759	1,894	11,276	429,911	754,170	754,170
<b>Transactions with owners:</b>										
Issuance of shares pursuant to exercise of ESOS	1,364	-	-	-	-	(274)	-	-	1,090	1,090
Share application money received	-	97	-	-	-	-	-	-	97	97
Share options granted under ESOS	-	-	-	-	-	255	-	-	255	255
<b>Total transactions with owners</b>	<b>1,364</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>1,442</b>	<b>1,442</b>
Profit for the period	-	-	-	-	-	-	-	26,404	26,404	26,404
Other comprehensive income for the period	-	-	-	-	(353)	-	(1,011)	809	(555)	(555)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(353)</b>	<b>-</b>	<b>(1,011)</b>	<b>27,213</b>	<b>25,849</b>	<b>25,849</b>
<b>Balance as at 31 May 2022</b>	<b>260,256</b>	<b>126</b>	<b>(7,591)</b>	<b>-</b>	<b>59,406</b>	<b>1,875</b>	<b>10,265</b>	<b>457,124</b>	<b>781,461</b>	<b>781,461</b>

*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 2022 and the accompanying explanatory notes attached to the interim financial reports*



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## INTERIM FINANCIAL REPORT

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### 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 2022. 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 2022.

#### 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 2022, 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) 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*
- Amendments to MFRS 112 – *Income Taxes*



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## INTERIM FINANCIAL REPORT

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**

**A2 Summary of Significant Accounting Policies (continued)**

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

**(ii) 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 2022 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.



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## INTERIM FINANCIAL REPORT

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### 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

There is no repurchase of ordinary share of its issued share capital during the current financial year-to-date under review.

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 821,887,729 ordinary shares.

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

During the current financial year-to-date under review, 2,234,950 number of ordinary shares were issued under the Company's ESOS.

#### A8 Dividend Paid

	<b>Current Year To-date RM'000</b>	Preceding Year Corresponding Period RM'000
<b>Third interim dividend in respect of financial year ended 28 February 2022, paid on 25 Mar 2022</b> Single tier dividend of 1.0 sen per ordinary share	<b>8,197</b>	
<b>Third interim dividend in respect of financial year ended 28 February 2021, paid on 16 April 2021</b> Single tier dividend of 0.5 sen per ordinary share		3,753
	<b>8,197</b>	3,753





## 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.

	<b>Trading of PVF products  RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings, galvanising  RM'000</b>	<b>Investment and Management  RM'000</b>	<b>Elimination  RM'000</b>	<b>Total  RM'000</b>
<b>Period Ended 31 May 2022</b>					
<b>Revenue</b>					
External Revenue	120,693	149,983	-	-	270,676
Intersegment revenue	9,187	17,350	928	(27,465)	-
<b>Total revenue</b>	<b>129,880</b>	<b>167,333</b>	<b>928</b>	<b>(27,465)</b>	<b>270,676</b>
<b>Segment Profit</b>	<b>14,684</b>	<b>23,362</b>	<b>225</b>	<b>(633)</b>	<b>37,638</b>
Interest income					451
Finance costs					(1,763)
Share of profit in associate					128
<b>Profit before tax</b>					<b>36,454</b>

	<b>Trading of PVF products  RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings, galvanising  RM'000</b>	<b>Investment and Management  RM'000</b>	<b>Elimination  RM'000</b>	<b>Total  RM'000</b>
<b>Period Ended 31 May 2021</b>					
<b>Revenue</b>					
External Revenue	73,974	74,526	-	-	148,500
Intersegment revenue	6,161	12,302	4,742	(23,205)	-
<b>Total revenue</b>	<b>80,135</b>	<b>86,828</b>	<b>4,742</b>	<b>(23,205)</b>	<b>148,500</b>
<b>Segment Profit</b>	<b>10,222</b>	<b>8,718</b>	<b>5,071</b>	<b>(4,382)</b>	<b>19,629</b>
Interest income					371
Finance costs					(1,489)
Share of profit in associate					129
<b>Profit before tax</b>					<b>18,640</b>

\* 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	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	285,148	164,292
Generated by overseas operation	12,993	7,413
	298,141	171,705
Inter-segments elimination	(27,465)	(23,205)
	270,676	148,500

#### 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 2022.

#### 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

Unity Precision Engineering Sdn Bhd is now 100% owned subsidiary following the completion of acquisition 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: -

	<b>31 May 2022</b>
	<b>RM'000</b>
Corporate guarantees	<u>665,568</u> *

\* Represents the total limit of Pantech's corporate guarantee



## **INTERIM FINANCIAL REPORT**

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**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 2022 are as follows: -

	<b>31 May 2022</b>
	<b>RM'000</b>
Approved and contracted for	<u><u>1,191</u></u>



## INTERIM FINANCIAL REPORT

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

**B1 Review of Performance**

<b>Business Segment</b>	<b>Revenue Current Quarter</b>		<b>Revenue 3 months to</b>	
	<b>31-May-22</b>	<b>31-May-21</b>	<b>31-May-22</b>	<b>31-May-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	120,693	73,974	120,693	73,974
Manufacturing	149,983	74,526	149,983	74,526
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	<b>270,676</b>	<b>148,500</b>	<b>270,676</b>	<b>148,500</b>

<b>Business Segment</b>	<b>Profit Before Taxation Current Quarter</b>		<b>Profit Before Taxation 3 months to</b>	
	<b>31-May-22</b>	<b>31-May-21</b>	<b>31-May-22</b>	<b>31-May-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	14,583	9,988	14,583	9,988
Manufacturing	23,140	8,985	23,140	8,985
Investment and Management	(1,269)	(333)	(1,269)	(333)
<b>Consolidated Total</b>	<b>36,454</b>	<b>18,640</b>	<b>36,454</b>	<b>18,640</b>

**Trading Division**

For the current quarter and 3 months ended 31 May 2022, the trading division recorded higher external revenue of RM120.69 million (Q1FY22: RM73.97 million) and segment profit before tax of RM14.58 million (Q1FY22: RM9.99 million), an increase of approximately RM46.72 million (63.16%) and RM4.59 million (45.95%) respectively.

The higher revenue and segment profit before tax for the current quarter and 3 months ended 31 May 2022 was mainly due to higher deliveries to local oil and gas projects.

**Manufacturing Division**

For the current quarter and 3 months ended 31 May 2022, the manufacturing division recorded higher external revenue of RM149.98 million (Q1FY22: RM74.53 million) and segment profit before tax of RM23.14 million (Q1FY22: RM8.99 million), an increase of approximately RM75.45 million (101.23%) and RM14.15 million (157.40%) respectively.



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## INTERIM FINANCIAL REPORT

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**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 2022 was mainly due to the overall better product mix and robust export demand for stainless steels manufacturing division.

**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 2022, the Group registered higher revenue of RM270.68 million (Q1FY21: RM148.50 million) and profit before tax ("PBT") of RM36.45 million (Q1FY21: RM18.64 million). The higher revenue and profit before tax was mainly due to better performance in both trading and manufacturing division.

**B2 Variation of Results against Preceding Quarter**

In the current quarter under review, the Group reported a higher revenue of RM270.68 million compared to the preceding quarter of RM257.15 million, and a higher profit after taxation ("PAT") of RM26.40 million compared to preceding quarter of RM20.90 million. The group achieve higher sales and PAT mainly due to higher deliveries to local oil and gas sector and robust export demand, better product mix and higher product prices.

**B3 Prospects**

The re-opening of international borders around the world and Malaysia together with economic recovery from COVID-19 continue to bring positive impact to business and oil and gas demand. Thus, the Group believe the demands for our products will improve in both domestic and international market. Nevertheless, the Group noted recent ongoing geopolitical conflicts, rising interest rate and rising inflation poses risks to the current economic recovery progress.

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 improving economic activities and rising oil and gas prices.



## INTERIM FINANCIAL REPORT

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

**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.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year 31-May-22 RM'000	Preceding Year Corresponding Quarter 31-May-21 RM'000	Current Year To Date 31-May-22 RM'000	Preceding Year Corresponding Period 31-May-21 RM'000
Current taxation	9,797	3,600	9,797	3,600
Under/(over) provision in prior year	0	(27)	0	(27)
Transferred (to)/from deferred tax assets	319	(57)	319	(57)
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(66)	(66)	(66)
	<b>10,050</b>	3,450	<b>10,050</b>	3,450

Tax expense for the current quarter and financial year-to-date ended 31 May 2022 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 higher than the statutory rate, mainly due to certain expenses that are not deductible for tax purpose.

**B6 Status of Corporate Proposals**

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



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## INTERIM FINANCIAL REPORT

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**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: -

<b><u>Borrowings</u></b>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
<b><u>Unsecured: -</u></b>		
- Term loans	15,330	29,419
- Bankers' acceptances, trust receipts and other short term loan	188,564	-
- Foreign currency loan	21,503	-
	<u>225,397</u>	<u>29,419</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	<u>4,905</u>	<u>21,503</u>

<b><u>Lease Liabilities</u></b>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Lease Liabilities	<u>2,012</u>	<u>9,299</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 1.50 sen per ordinary share in respect of the financial year ending 28 February 2023 (Preceding year corresponding quarter: 0.50 sen). The first interim dividend will be paid on 21 October 2022 to shareholders whose name appear on the Company's Record of Depositors on 30 September 2022.

The total dividend per share for the current financial year is 1.50 sen single tier dividend per ordinary share (Preceding year corresponding period: 0.50 sen).



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## INTERIM FINANCIAL REPORT

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**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
	<b>31-May-22</b>	31-May-21	<b>31-May-22</b>	31-May-21
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Net profit attributable to owners of the Company	<b>26,404</b>	15,190	<b>26,404</b>	15,190
Weighted average number of ordinary share in issue ('000)	<b>820,821</b>	754,218	<b>820,821</b>	754,218
<b>Basic earnings per ordinary share (sen)</b>	<b>3.22</b>	2.01	<b>3.22</b>	2.01

**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.





## INTERIM FINANCIAL REPORT

**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 31-May-22 RM'000	Preceding Year Corresponding Quarter 31-May-21 RM'000	Current Year To Date 31-May-22 RM'000	Preceding Year Corresponding Period 31-May-21 RM'000
<b>Net profit attributable to owners of the Company:</b>	<b>26,404</b>	15,190	<b>26,404</b>	15,190
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	<b>820,821</b>	754,218	<b>820,821</b>	754,218
Adjustment for dilutive effect on exercise of Warrants ('000)	-	2,437	-	2,437
Adjustment for dilutive effect on exercise of ESOS options ('000)	<b>6,714</b>	5,183	<b>6,714</b>	5,183
	<b>827,535</b>	761,838	<b>827,535</b>	761,838
<b>Diluted earnings per ordinary share (sen)</b>	<b>3.19</b>	1.99	<b>3.19</b>	1.99

**B11 Share Buy Back**

As at end of current quarter, a total of 16,086,293 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 RM0.47 per share.



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## INTERIM FINANCIAL REPORT

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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**

	<b>Quarter Ended 31-May-22 RM'000</b>	<b>Financial Year Ended 31-May-22 RM'000</b>
Interest income	451	451
Other income including investment income	100	100
Interest expense	(1,511)	(1,511)
Depreciation and amortization	(4,571)	(4,571)
Allowance for impairment and write off of receivables	(127)	(127)
Reversal of allowance of slow moving and write off of inventories	1,015	1,015
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	242	242
Realised foreign exchange gain	2,802	2,802
Unrealised foreign exchange gain	1,743	1,743
Gain on derivatives	4	4
Exceptional items	-	-

**Date: 28 July 2022**