



**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 AUGUST 2024**

	Second Quarter		Cumulative Quarter	
	Current Year Quarter 31/08/2024 RM'000	Preceding Year Corresponding Quarter 31/08/2023 RM'000	Current Year To Date 31/08/2024 RM'000	Preceding Year Corresponding Period 31/08/2023 RM'000
<b>Revenue</b>	<b>252,137</b>	250,384	<b>507,861</b>	495,152
Operating Expenses	(221,977)	(211,472)	(441,172)	(418,554)
Other Operating Income	2,144	1,345	4,028	2,563
<b>Profit from Operations</b>	<b>32,304</b>	<b>40,257</b>	<b>70,717</b>	<b>79,161</b>
Finance Cost	(3,167)	(3,131)	(6,111)	(5,854)
Share of profit in associate company	152	107	483	177
<b>Profit before taxation</b>	<b>29,289</b>	<b>37,233</b>	<b>65,089</b>	<b>73,484</b>
Taxation	(8,552)	(8,814)	(18,083)	(18,081)
<b>Profit for the period</b>	<b>20,737</b>	<b>28,419</b>	<b>47,006</b>	<b>55,403</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	(1,554)	1,487	(764)	3,992
Realisation of revaluation reserve upon depreciation of revalued asset	227	227	454	452
Transfer of revaluation reserve to unappropriated profit	(227)	(227)	(454)	(452)
Total comprehensive income for the period	<b>19,183</b>	<b>29,906</b>	<b>46,242</b>	<b>59,395</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	20,737	28,419	47,006	55,403
Non-controlling interest	-	-	-	-
	<b>20,737</b>	<b>28,419</b>	<b>47,006</b>	<b>55,403</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	19,183	29,906	46,242	59,395
Non-controlling interest	-	-	-	-
	<b>19,183</b>	<b>29,906</b>	<b>46,242</b>	<b>59,395</b>
<b>Earnings per share</b>				
(a) Basic earnings per ordinary share (sen)	<b>2.49</b>	<b>3.44</b>	<b>5.65</b>	<b>6.70</b>
(b) Diluted earnings per ordinary share (sen)	<b>2.48</b>	<b>3.42</b>	<b>5.62</b>	<b>6.67</b>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 29 February 2024 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 FINANCIAL POSITION  
AS AT 31 AUGUST 2024**

	31/08/2024	29/02/2024
	Unaudited	Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	357,606	346,170
Capital Work-in-progress	4,605	2,838
Investment Properties	12,400	12,400
Investment In An Associate Company	4,000	3,517
Goodwill on Acquisition	2,343	2,343
	<u>380,954</u>	<u>367,268</u>
<b>Current Assets</b>		
Inventories	387,215	414,204
Trade and Other Receivables	181,827	147,586
Amount Due from An Associate Company	45,712	56,943
Tax recoverable	664	2,738
Fixed Deposits with Licensed Banks	7,336	7,308
Cash and Bank Balances	277,352	254,666
	<u>900,106</u>	<u>883,445</u>
<b>TOTAL ASSETS</b>	<u><u>1,281,060</u></u>	<u><u>1,250,713</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	269,046	268,428
Share Application Money	-	50
Treasury Shares	(10,442)	(10,241)
Revaluation Reserve	57,349	57,803
Other Reserves	14,600	15,419
Unappropriated Profits	576,407	553,919
<b>TOTAL EQUITY</b>	<u>906,960</u>	<u>885,378</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long Term Borrowings	36,778	17,730
Lease liabilities	10,111	11,121
Deferred Tax Liabilities	24,986	25,133
	<u>71,875</u>	<u>53,984</u>
<b>Current Liabilities</b>		
Trade and Other Payables	45,260	67,291
Short Term Borrowings	219,407	221,885
Amount Due to An Associate Company	-	71
Derivative Financial Instruments	1,079	-
Lease liabilities	2,660	2,585
Tax Payable	8,848	7,054
Dividend Payable	24,971	12,465
	<u>302,225</u>	<u>311,351</u>
<b>Total Liabilities</b>	<u>374,100</u>	<u>365,335</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,281,060</u></u>	<u><u>1,250,713</u></u>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.06</b>	<b>1.04</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 29 February 2024 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 AUGUST 2024

	<b>GROUP</b> <b>31/08/2024</b> <b>RM'000</b>	<b>GROUP</b> <b>31/08/2023</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	65,089	73,484
Adjustments for:		
Allowance for/(reversal of) impairment of receivables (net)	2,137	(523)
Allowance for slow moving inventories (net)	1,573	274
Depreciation of property, plant and equipment	9,455	8,846
Depreciation of right-of-use assets	1,008	1,336
Interest expense	4,642	5,627
Bad debts written off	-	157
Interest expense on lease liabilities	277	289
Interest income	(3,330)	(1,951)
Dividend income	-	(78)
Gain on disposal of property, plant and equipment	(183)	(26)
Fair value gain on other investments	-	(47)
Loss/(gain) on fair value of derivatives financial instruments	1,079	(12)
Unrealised exchange loss on foreign exchange	6,228	492
Other non-cash items	(339)	(10)
<b>Operating profit before changes in working capital</b>	<b>87,636</b>	<b>87,858</b>
Changes in working capital:-		
Inventories	25,416	8,176
Receivables	(36,379)	(2,217)
Payables	(28,251)	(16,717)
Associate company	11,160	(26,095)
<b>Cash generated from operations</b>	<b>59,582</b>	<b>51,005</b>
Tax paid (net)	(14,346)	(18,023)
<b>Net cash generated from operating activities</b>	<b>45,236</b>	<b>32,982</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	-	78
Interest received	3,330	1,951
Purchase of property, plant and equipment	(22,500)	(4,011)
Proceeds from disposal of property, plant and equipment	187	76
Capital work-in-progress incurred	(1,767)	(171)
Placement of other investments	-	(552)
<b>Net cash used in investing activities</b>	<b>(20,750)</b>	<b>(2,629)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(12,472)	(12,367)
Proceeds from issuance of share capital	490	2,666
Purchase of treasury shares	(201)	(638)
Interest paid	(4,919)	(5,916)
Share application money	(50)	(38)
Repayment of lease liabilities	(1,283)	(1,269)
(Repayment of)/Drawdown of short-term borrowings	(4,916)	67,989
Drawdown of borrowings	26,989	3,420
Repayment of borrowings	(5,503)	(7,851)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,865)</b>	<b>45,996</b>



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**INTERIM FINANCIAL REPORT**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 AUGUST 2024 (CONTINUED)**

	<b>GROUP</b>	<b>GROUP</b>
	<b>31/08/2024</b>	<b>31/08/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>22,621</b>	<b>76,349</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>93</b>	<b>2,761</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>261,974</b>	<b>180,025</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>284,688</b>	<b>259,135</b>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 29 February 2024 and the accompanying explanatory notes attached to the interim financial reports.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2024**

	←————— Attributable to Owners of the Company —————→							
	←————— Non-Distributable —————→					—————→ Distributable		
	Share Capital RM'000	Share Application Money RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profits RM'000	Total Equity RM'000
<b>Balance as at 1 March 2023</b>	263,417	52	(9,156)	58,708	1,630	9,257	497,285	821,193
<b>Transactions with owners:</b>								
Issuance of shares pursuant to exercise of ESOS	3,337	-	-	-	(671)	-	-	2,666
Share application money received	-	(38)	-	-	-	-	-	(38)
Acquisition of treasury shares	-	-	(638)	-	-	-	-	(638)
Share options granted under ESOS	-	-	-	-	165	-	-	165
Final dividend payable to Shareholders	-	-	-	-	-	-	(12,392)	(12,392)
First interim dividend payable to Shareholders	-	-	-	-	-	-	(12,394)	(12,394)
<b>Total transactions with owners</b>	<b>3,337</b>	<b>(38)</b>	<b>(638)</b>	<b>-</b>	<b>(506)</b>	<b>-</b>	<b>(24,786)</b>	<b>(22,631)</b>
Profit for the period	-	-	-	-	-	-	55,403	55,403
Other comprehensive income for the period	-	-	-	(452)	-	3,992	452	3,992
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(452)</b>	<b>-</b>	<b>3,992</b>	<b>55,855</b>	<b>59,395</b>
<b>Balance as at 31 August 2023</b>	<b>266,754</b>	<b>14</b>	<b>(9,794)</b>	<b>58,256</b>	<b>1,124</b>	<b>13,249</b>	<b>528,354</b>	<b>857,957</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 29 February 2024 and the accompanying explanatory notes attached to the interim financial reports



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**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2024 (continued)**

	Attributable to Owners of the Company							Total Equity RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Application Money RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profits RM'000	
<b>Balance as at 1 March 2024</b>	268,428	50	(10,241)	57,803	907	14,512	553,919	885,378
<b>Transactions with owners:</b>								
Issuance of shares pursuant to exercise of ESOS	618	-	-	-	(128)	-	-	490
Share application money	-	(50)	-	-	-	-	-	(50)
Acquisition of treasury shares	-	-	(201)	-	-	-	-	(201)
Share options granted under ESOS	-	-	-	-	73	-	-	73
Final dividend payable to Shareholders	-	-	-	-	-	-	(12,483)	(12,483)
First interim dividend payable to Shareholders	-	-	-	-	-	-	(12,489)	(12,489)
<b>Total transactions with owners</b>	<b>618</b>	<b>(50)</b>	<b>(201)</b>	<b>-</b>	<b>(55)</b>	<b>-</b>	<b>(24,972)</b>	<b>(24,660)</b>
Profit for the period	-	-	-	-	-	-	47,006	47,006
Other comprehensive income for the period	-	-	-	(454)	-	(764)	454	(764)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(454)</b>	<b>-</b>	<b>(764)</b>	<b>47,460</b>	<b>46,242</b>
<b>Balance as at 31 August 2024</b>	<b>269,046</b>	<b>-</b>	<b>(10,442)</b>	<b>57,349</b>	<b>852</b>	<b>13,748</b>	<b>576,407</b>	<b>906,960</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 29 February 2024 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 29 February 2024. 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 29 February 2024.

#### 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 29 February 2024, 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 2024

- Amendments of MFRS 16 – *Lease liability in a Sale and Leaseback*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 107 – *Statement of Cash Flows*
- Amendments to MFRS 7 – *Financial Instruments: Disclosure*



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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 period beginning on or after 1 January 2025**

- Amendments to MFRS 121 – *The Effects of Changes in Foreign Exchange Rates*

**(iii) Amendments effective for the period beginning on or after 1 January 2026**

- Amendments to MFRS 9 – *Financial Instruments*
- Amendments to MFRS 7 – *Financial Instruments – Disclosure*

**(iv) MFRS effective for period beginning on or after 1 January 2027**

- MFRS 18 – *Presentation and Disclosure in Financial Statements*
- MFRS 19 – *Subsidiaries without Public Accountability: Disclosures\**

**(v) Amendments effective for date yet to be confirmed**

- Amendments to MFRS 10 – *Combined 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 29 February 2024 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 200,000 ordinary share or 0.02% of its issued share capital from the open market at the average price paid of RM1.00 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 832,201,229 ordinary shares.

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

During the current financial year-to-date under review, 935,250 number of ordinary shares were issued under the Company's ESOS.

#### A8 Dividend Paid

	<b>Current Year To-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
<b>Third interim dividend in respect of financial year ended 29 February 2024, paid on 26 Mar 2024</b> Single tier dividend of 1.5 sen per ordinary share	<b>12,472</b>	
<b>Third interim dividend in respect of financial year ended 28 February 2023, paid on 24 Mar 2023</b> Single tier dividend of 1.5 sen per ordinary share		12,367
	<b>12,472</b>	<b>12,367</b>



## 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 August 2024</b>					
<b>Revenue</b>					
External Revenue	240,638	267,223	-	-	507,861
Intersegment revenue	13,460	36,768	1,739	(51,967)	-
<b>Total revenue</b>	<b>254,098</b>	<b>303,991</b>	<b>1,739</b>	<b>(51,967)</b>	<b>507,861</b>
<b>Segment Profit</b>	<b>26,436</b>	<b>40,113</b>	<b>978</b>	<b>(140)</b>	<b>67,387</b>
Interest income					3,330
Finance costs					(6,111)
Share of profit in associate					483
<b>Profit before tax</b>					<b>65,089</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 August 2023</b>					
<b>Revenue</b>					
External Revenue	280,021	215,131	-	-	495,152
Intersegment revenue	14,596	47,081	14,699	(76,376)	-
<b>Total revenue</b>	<b>294,617</b>	<b>262,212</b>	<b>14,699</b>	<b>(76,376)</b>	<b>495,152</b>
<b>Segment Profit</b>	<b>32,861</b>	<b>43,827</b>	<b>13,912</b>	<b>(13,390)</b>	<b>77,210</b>
Interest income					1,951
Finance costs					(5,854)
Share of profit in associate					177
<b>Profit before tax</b>					<b>73,484</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	540,347	549,309
Generated by overseas operation	19,481	22,219
	559,828	571,528
Inter-segments elimination	(51,967)	(76,376)
	507,861	495,152

#### 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 29 February 2024.

#### 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: -

	<b>31 August 2024</b>
	<b>RM'000</b>
Corporate guarantees	<u>709,499</u> *

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



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## 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 August 2024 are as follows: -

	<b>31 August 2024</b>
	<b>RM'000</b>
Approved and contracted for	<u>2,824</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 6 months to	
	31-Aug-24	31-Aug-23	31-Aug-24	31-Aug-23
	RM'000	RM'000	RM'000	RM'000
Trading	104,027	139,768	240,638	280,021
Manufacturing	148,110	110,616	267,223	215,131
Investment and Management	-	-	-	-
Consolidated Total	252,137	250,384	507,861	495,152

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 6 months to	
	31-Aug-24	31-Aug-23	31-Aug-24	31-Aug-23
	RM'000	RM'000	RM'000	RM'000
Trading	9,346	16,344	26,825	31,597
Manufacturing	20,977	21,848	39,943	43,761
Investment and Management	(1,034)	(959)	(1,679)	(1,874)
Consolidated Total	29,289	37,233	65,089	73,484

#### Trading Division

For the current quarter ended 31 August 2024, the trading division recorded lower external revenue of RM104.03 million (Q2FY24: RM139.77 million) and segment profit before tax of RM9.35 million (Q2FY24: RM16.34 million), a decrease of approximately RM35.74 million (25.57%) and RM6.99 million (42.78%) respectively.

For the 6 months ended 31 August 2024, the trading division recorded lower external revenue of RM240.64 million (6 months FY24: RM280.02 million) and segment profit before tax of RM26.83 million (6 months FY24: RM31.60 million), a decrease of approximately RM39.38 million (14.06%) and RM4.77 million (15.09%) respectively.

The lower revenue and segment profit before tax for the current quarter and 6 months ended 31 August 2024 was mainly due to lower sales delivery to local oil and gas projects and foreign exchange loss from translation of foreign currency denominated financial assets.



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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**

For the current quarter ended 31 August 2024, the manufacturing division recorded higher external revenue of RM148.11 million (Q2FY24: RM110.62 million) but lower segment profit before tax of RM20.98 million (Q2FY24: RM21.85 million), an increase of approximately RM37.49 million (33.89%) and decrease of approximately RM0.87 million (3.98%) respectively.

For the 6 months ended 31 August 2024, the manufacturing division recorded higher external revenue of RM267.22 million (6 months FY24: RM215.13 million) but lower segment profit before tax of RM39.94 million (6 months FY24: RM43.76 million), an increase of approximately RM52.09 million (24.21%) and decrease of approximately RM3.82 million (8.73%) respectively.

The higher export sales from stainless steel manufacturing plant has contributed positively to higher manufacturing division revenue. However, the lower segment profit before tax for the current quarter and 6 months ended 31 August 2024 was mainly due to export market and proceeds experienced unfavourable foreign exchange rate movement.

**Investment and Management Division**

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

**Group Performance**

For the current quarter ended 31 August 2024, the Group registered higher revenue of RM252.14 million (Q2FY24: RM250.38 million) but lower profit before tax ("PBT") of RM29.29 million (Q2FY24: RM37.23 million).

For the 6 months ended 31 August 2024, the Group registered higher revenue of RM507.86 million (6 months FY24: RM495.15 million) but lower profit before tax ("PBT") of RM65.09 million (6 months FY24: RM73.48 million).

The lower profit before tax was mainly due to foreign exchange loss arising from translation of foreign currency denominated financial assets after strengthening of Ringgit Malaysia currency.

**B2 Variation of Results against Preceding Quarter**

In the current quarter under review, the Group reported a comparable revenue of RM252.14 million compared to the preceding quarter of RM255.72 million, and lower profit after taxation ("PAT") of RM20.74 million compared to preceding quarter of RM26.27 million. The lower PAT mainly due to foreign exchange loss arising from translation of foreign currency denominated financial assets.



## **INTERIM FINANCIAL REPORT**

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

**B3 Prospects**

The sustained oil price is likely to bring positive impact to its related capital activities such as increase spending in facilities maintenance and upgrading activities in the oil and gas industry. This in turn will improve the demand for our products in both domestic and international markets.

However, on the economic front, the Group is watchful of the economic risks from ongoing geopolitical conflicts, high interest rate and rising cost that may hinder the current economic growth as well as the oil and gas demand.

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

Barring further unforeseen circumstances, the Group is optimistic of its overall performance for the current financial year.



## 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-Aug-24 RM'000	Preceding Year Corresponding Quarter 31-Aug-23 RM'000	Current Year To Date 31-Aug-24 RM'000	Preceding Year Corresponding Period 31-Aug-23 RM'000
Current taxation	8,604	8,897	18,213	18,078
Transferred from/(to) deferred tax liabilities	14	(17)	3	136
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(66)	(133)	(133)
	<b>8,552</b>	<b>8,814</b>	<b>18,083</b>	<b>18,081</b>

Tax expense for the current quarter and financial year-to-date ended 31 August 2024 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

On 29 August 2024, the Company announced the application has been submitted to the Securities Commission Malaysia in relation to the proposed listing of Pantech Stainless & Alloy Industries Sdn Bhd ("PSA") and Pantech Steel Industries Sdn Bhd ("PSI"), the wholly-owned subsidiaries of the Company, on the main market of Bursa Malaysia Securities Berhad.

As at the date of this announcement, the status of application remain the same.





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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	11,785	36,778
- Bankers' acceptances, trust receipts and other short term loan	181,728	-
- Foreign currency loan	25,894	-
	<u>219,407</u>	<u>36,778</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	<u>5,862</u>	<u>25,894</u>

<b><u>Lease Liabilities</u></b>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Lease Liabilities	<u>2,660</u>	<u>10,111</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 second interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ending 28 February 2025 (Preceding year corresponding quarter: 1.50 sen). The second interim dividend will be paid on 20 December 2024 to shareholders whose name appear on the Company's Record of Depositors on 29 November 2024.

The total dividend per share for the current financial year is 3.00 sen single tier dividend per ordinary share (Preceding year corresponding period: 3.00 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-Aug-24</b>	31-Aug-23	<b>31-Aug-24</b>	31-Aug-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Net profit attributable to owners of the Company	<b>20,737</b>	28,419	<b>47,006</b>	55,403
Weighted average number of ordinary share in issue ('000)	<b>832,256</b>	826,554	<b>832,256</b>	826,554
<b>Basic earnings per ordinary share (sen)</b>	<b>2.49</b>	3.44	<b>5.65</b>	6.70

**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.



## 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 <b>31-Aug-24</b> RM'000	Preceding Year Corresponding Quarter 31-Aug-23 RM'000	Current Year To Date <b>31-Aug-24</b> RM'000	Preceding Year Corresponding Period 31-Aug-23 RM'000
<b>Net profit attributable to owners of the Company:</b>	<b>20,737</b>	28,419	<b>47,006</b>	55,403
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	<b>832,256</b>	826,554	<b>832,256</b>	826,554
Adjustment for dilutive effect on exercise of ESOS options ('000)	<b>3,570</b>	4,655	<b>3,570</b>	4,655
	<b>835,826</b>	831,209	<b>835,826</b>	831,209
<b>Diluted earnings per ordinary share (sen)</b>	<b>2.48</b>	3.42	<b>5.62</b>	6.67

**B11 Share Buy Back**

As at end of current quarter, a total of 20,231,293 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 RM0.52 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</b>	<b>Financial Year Ending</b>
	<b>31-Aug-24</b>	<b>28-Feb-25</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	1,824	3,330
Other income including investment income	161	324
Interest expense	(2,369)	(4,919)
Depreciation and amortization	(5,173)	(10,463)
Allowance for impairment and write off of receivables	(577)	(2,137)
Allowance of slow moving and write off of inventories	(1,310)	(1,573)
Gain on disposal of property, plant and equipment	118	183
Impairment of assets	(69)	(71)
Realised foreign exchange loss	(6,624)	(6,076)
Unrealised foreign exchange loss	(4,324)	(6,228)
Loss on derivatives	(1,079)	(1,079)
Exceptional items	-	-

**Date: 23 October 2024**