

**ES CERAMICS TECHNOLOGY BHD**  
Registration No: 200301024697 (627117-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MAY 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-May-22	CORRESPONDING QUARTER ENDED 31-May-21	CURRENT YEAR TO DATE ENDED 31-May-22	CORRESPONDING YEAR TO DATE ENDED 31-May-21
	RM	RM	RM	RM
<b>Revenue</b>	<u>27,148,346</u>	<u>42,772,031</u>	<u>115,890,501</u>	<u>92,910,710</u>
<b>Operating profit excluded ESOS expenses</b>	16,433,591	22,758,986	56,689,220	41,189,050
Employee Benefits Expense (ESOS)	(376,677)	(4,169,639)	(376,677)	(4,169,639)
Finance costs	(3,044)	(9,867)	(15,593)	(23,581)
Depreciation and amortisation	(678,106)	(585,658)	(2,624,772)	(2,101,093)
Interest income	175,733	271,750	678,713	568,629
<b>Profit before taxation</b>	<u>15,551,497</u>	<u>18,265,572</u>	<u>54,350,891</u>	<u>35,463,366</u>
Taxation	(2,474,480)	(3,755,321)	(5,739,227)	(5,272,617)
<b>Profit for the period</b>	<u>13,077,017</u>	<u>14,510,251</u>	<u>48,611,664</u>	<u>30,190,749</u>
<b>Other comprehensive income :</b>				
Foreign exchange translation difference	543,154	(177,729)	(563,392)	(1,044,286)
<b>Total comprehensive income for the period</b>	<u>13,620,171</u>	<u>14,332,522</u>	<u>48,048,272</u>	<u>29,146,463</u>
<b>Profit/(Loss) Attributable to :</b>				
Equity holders of the parent	13,077,017	14,510,251	48,611,664	30,190,749
Non-Controlling Interest	-	-	-	-
	<u>13,077,017</u>	<u>14,510,251</u>	<u>48,611,664</u>	<u>30,190,749</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	13,620,171	14,332,522	48,048,272	29,146,463
Non-Controlling Interest	-	-	-	-
	<u>13,620,171</u>	<u>14,332,522</u>	<u>48,048,272</u>	<u>29,146,463</u>
Earnings per share (sen)				
- Basic	<u>2.59</u>	<u>2.88</u>	<u>9.62</u>	<u>5.99</u>
- Diluted	<u>2.59</u>	<u>2.88</u>	<u>9.62</u>	<u>5.99</u>

(The condensed consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2021)

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2022**

	<b>AS AT 31-May-22 (UNAUDITED)</b>	<b>AS AT 31-May-21 (AUDITED)</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	37,155,133	22,939,114
Right-Of-Use Assets	10,481,929	10,846,476
Other Investments	-	2,120,000
Intangible Assets	206,696	283,113
	<u>47,843,758</u>	<u>36,188,703</u>
<b>Current Assets</b>		
Inventories	9,373,917	5,818,375
Trade & Other Receivables	33,267,362	18,724,913
Current Tax Asset	1,730,393	41,665
Cash and Cash Equivalents	60,936,628	75,461,570
	<u>105,308,300</u>	<u>100,046,523</u>
<b>TOTAL ASSETS</b>	<u><u>153,152,058</u></u>	<u><u>136,235,226</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	46,110,874	45,761,484
Share Option Reserve	1,356,144	979,467
Capital Reserve	715,680	715,680
Exchange Reserve	5,670,502	6,233,894
Retained Profit	78,291,399	29,679,735
	<u>132,144,599</u>	<u>83,370,260</u>
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<u><u>132,144,599</u></u>	<u><u>83,370,260</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Lease Liabilities	176,798	222,839
Employee Benefit Obligation	32,751	28,161
Term Loan	195,495	211,607
Deferred Taxation	1,633,000	1,166,927
	<u>2,038,044</u>	<u>1,629,534</u>
<b>Current Liabilities</b>		
Trade and Other Payables	10,361,730	7,065,243
Contract Liabilities	8,438,177	43,843,823
Lease Liabilities	151,275	107,988
Term Loan	13,477	13,514
Current Tax Payable	4,756	204,864
	<u>18,969,415</u>	<u>51,235,432</u>
<b>TOTAL LIABILITIES</b>	<u><u>21,007,459</u></u>	<u><u>52,864,966</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>153,152,058</u></u>	<u><u>136,235,226</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u><u>26</u></u>	<u><u>17</u></u>

*(The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2021)*

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Parent					Total Equity RM
	Share Capital RM	Share Option Reserve RM	Capital Reserve RM	Exchange Reserve RM	Retained Profits RM	
Balance at 1 Jun 2021	45,761,484	979,467	715,680	6,233,894	29,679,735	83,370,260
Share-based payment transactions		376,677				376,677
Warrant converted	349,390					349,390
ESOS exercised						-
Total comprehensive income for the period			-	(563,392)	48,611,664	48,048,272
Dividends paid						-
Balance at 31 May 2022	46,110,874	1,356,144	715,680	5,670,502	78,291,399	132,144,599

***For the Corresponding Quarter Ended 31 May 2021***

	Attributable to Owners of the Parent					Total Equity RM
	Share Capital RM	Share Option Reserve RM	Capital Reserve RM	Exchange Reserve RM	Retained Profits RM	
Balance at 1 Jun 2020	22,911,311	376,673	715,680	7,278,180	21,557,455	52,839,299
Share-based payment transactions		4,169,639				4,169,639
Warrant converted	9,382,884					9,382,884
ESOS exercised	13,467,289	(3,566,845)				9,900,444
Total comprehensive income for the period			-	(1,044,286)	30,190,748	29,146,462
Dividends paid					(22,068,468)	(22,068,468)
Balance at 31 May 2021	45,761,484	979,467	715,680	6,233,894	29,679,735	83,370,260

*(The condensed consolidated Statement of changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2021)*

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MAY 2022**

	<b>CURRENT QUARTER ENDED 31-May-22</b>	<b>PRECEDING YEAR QUARTER ENDED 31-May-21</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	54,350,891	35,463,365
Adjustments for :-		
Depreciation, amortisation and impairment losses	2,624,772	1,931,902
Interest income and expenses	(663,120)	(687,218)
Other non-cash items	1,167,088	4,489,106
Operating profit before changes in working capital	<u>57,479,631</u>	<u>41,197,155</u>
Changes in working capital:		
Net change in contract liabilities	(35,405,646)	42,033,922
Net change in inventories	(3,555,542)	(1,497,857)
Net change in receivables	(14,562,287)	(7,955,655)
Net change in payables	3,296,487	2,669,895
Cash flow from operations	<u>7,252,643</u>	<u>76,447,460</u>
Finance costs	(15,593)	(23,581)
Income tax refunded/(paid)	(7,161,990)	(3,821,348)
<b>Net cash flows from operating activities</b>	<u>75,060</u>	<u>72,602,531</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(17,767,619)	(14,579,270)
Interest income	678,713	525,492
Proceeds from redemption of redeemable non-convertible preference shares	2,120,000	-
Repayment from associate	-	180,000
Proceeds from disposal of property, plant and equipment	-	70,413
<b>Net cash used in investing activities</b>	<u>(14,968,906)</u>	<u>(13,803,365)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(22,068,468)
Drawdown / (Repayment) of term loan	(16,149)	(3,631)
Issuance of ordinary shares pursuant to conversion of warrant	349,390	9,382,884
Issuance of shares pursuant to exercise of share options	-	9,900,444
Drawdown / (Repayment) of lease liabilities	(2,754)	(104,632)
<b>Net cash flows from financing activities</b>	<u>330,487</u>	<u>(2,893,403)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(14,563,359)	55,905,763
<b>Cash and cash equivalents at beginning of the year</b>	75,461,570	20,200,812
<b>Effect of changes in foreign exchange rates</b>	38,417	(645,005)
<b>Cash and cash equivalents at end of period</b>	<u><u>60,936,628</u></u>	<u><u>75,461,570</u></u>

*(The condensed consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2021)*

# ES CERAMICS TECHNOLOGY BHD

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2022

### A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

#### A1. Basis of Preparation

The interim financial reports are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (“MFRS 134”) “Interim Financial Reporting” and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE”).

The interim financial report should be read in conjunction with the latest audited financial statements of ES Ceramics Technology Bhd (“ESCTB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 May 2021.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 May 2021, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption and application of the amendments to MFRSs and IC Interpretations are expected to have no significant impact on the financial statements of the Group.

#### A2. Auditors’ Report on Preceding Annual Financial Statements

The auditor’s report on the financial statements of ESCTB for the financial year ended 31 May 2021 was not subject to any audit qualification.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2022

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### **A3. Seasonal or Cyclical Factors**

The results of the Group were not materially affected by any seasonal or cyclical factors during the current quarter under review.

### **A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review.

### **A5. Material Changes in Estimates**

There were no changes in estimates that have a material effect on the current quarter's results.

### **A6. Debts and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

### **A7. Dividend paid**

There were no dividends paid for the current quarter under review.

### **A8. Segmental Information**

The Group operates mainly in Malaysia and Thailand. As the Group is predominantly in the business operation of hand formers, no segment reporting by business segment is prepared.

### **A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

### **A10. Material Events Subsequent To the End of the Quarter**

There are no material events subsequent to the current quarter that have not been reflected in this quarterly report.

### **A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

### **A12. Contingent Assets or Liabilities**

There were no contingent assets or contingent liabilities for the current quarter under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MAY 2022**

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**A13. Capital Commitments**

There were no material capital commitments for the current quarter under review.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2022

### B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Performance

	4th Quarter		Variance %	Year-To-Date Ended		Variance %
	31-May-22 (RM)	31-May-21 (RM)		31-May-22 (RM)	31-May-21 (RM)	
Revenue	27,148,346	42,772,031	(36.53%)	115,890,501	92,910,710	24.73%
Operating Profit	16,056,914	18,589,347	(13.62%)	56,312,543	37,019,411	52.12%
Profit Before Interest and Tax	15,554,541	18,275,439	(14.89%)	54,366,484	35,486,947	53.20%
Profit Before Tax	15,551,497	18,265,572	(14.86%)	54,350,891	35,463,366	53.26%
Profit After Tax	13,077,017	14,510,251	(9.88%)	48,611,664	30,190,749	61.02%
Profit Attributable to Ordinary Equity Holders of the Parent	13,077,017	14,510,251	(9.88%)	48,611,664	30,190,749	61.02%

For the current quarter ended 31 May 2022, the Group recorded revenue of RM27.15 million, represents a decrease of 36.53% as compared to revenue of RM42.77 million for the corresponding quarter of the preceding year.

The Group achieved a profit before taxation of approximately RM15.55 million for the current quarter. This represents a decrease of 14.86% from the profit before taxation of approximately RM18.27 million registered in the corresponding quarter of the preceding year. This was in tandem with the decrease in revenue.

For the twelve (12) months ended 31 May 2022, the Group generated total revenue of approximately RM115.89 million which represents an increase of approximately 24.73% as compared to RM92.91 million achieved in the corresponding period of the preceding year.

For the same period, the Group achieved a profit before tax of approximately RM54.35 million which represents an increase of 53.26% as compared to a profit before tax of approximately RM35.46 million registered in the corresponding period of the preceding year. The increase in profit before tax was mainly attributed to the higher sales output from the additional production capacity and better product mix.

#### B2. Comparison with Preceding Quarter's Results

	Current Quarter 31.05.2022 RM	Immediate preceding Quarter 28.02.2022 RM	Changes %
Revenue	27,148,346	29,419,954	(7.72)
Operating Profit	16,056,914	13,713,071	17.09
Profit/(Loss) Before Interest and Tax	15,554,541	13,125,822	18.50
Profit/(Loss) Before Tax	15,551,497	13,121,874	18.52
Profit/(Loss) After Tax	13,077,017	11,957,693	9.36
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	13,077,017	11,957,693	9.36

Revenue registered in the current quarter of RM27.15 million represents a decrease of 7.72% as compared to the revenue of RM29.42 million recorded in the immediate preceding quarter.



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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2022

The Group's current quarter profit before taxation of approximately RM15.55 million has increased by 18.52% as compared in the immediate preceding quarter. The increase in profit before tax was mainly attributed to the gain on foreign exchange.

### B3. Commentary on Prospect for the Current Financial Year

Global economic uncertainties is expected to continue throughout 2022 amid a resurgence of COVID-19 variants, global supply chain disruptions resulting in escalating cost challenges, and increasing tensions in Europe arising from the Ukraine/Russia situation. It is challenging to predict the full extent and duration of these impact on the global economy.

The Management is also mindful of competition and operational risks such as foreign exchange fluctuations, material, labour costs and softening of the demand for gloves that could impact on its financial results.

Despite the prevailing challenges, the Group remains cautiously optimistic on the long term business prospects and will continue to actively pursue various business strategies to increase its revenue, focus on improving efficiency, automation across our operations and to implement cost control measures.

### B4. Variance of Actual and Forecast Profit

The Group has not provided any profit forecast and therefore no variance information is available for presentation.

### B5. Taxation

	Current quarter 31.05.2022	Current year to date 31.05.2022
	RM	RM
Current year	2,019,630	5,284,377
Deferred taxation	454,850	454,850

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.

The effective tax rate of the Group's current tax charge for the period was lower than the statutory tax rate mainly due to tax incentives enjoyed by subsidiary companies.

### B6. Status of Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced but not completed as at the date of this report.

We refer to the announcement made on 5 May 2022 in relation to the Proposals as below:-

- a) Proposed acquisition of the entire equity interest in Evermix Concrete Sdn Bhd by Es Ceramics (70%) and its wholly-owned subsidiary Euroceramic Technologies Co. Ltd (30%)

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2022

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for a total purchase consideration of RM83,000,000 to be satisfied by a combination of cash and new ordinary shares in ES CERAMICS; and

- b) proposed diversification of the existing business of Es Ceramics Technology Berhad and its subsidiaries (“group”) to include manufacturing and trading of construction materials

Application for additional listing application in relation to the Proposed Acquisition was submitted to Bursa Securities on 11 May 2022 and Bursa Securities had, vide its letter dated 28 June 2022, approved the listing and quotation of up to 56,250,000 Consideration Shares to be issued pursuant to the Proposed Acquisition.

[The Proposed Acquisition has been approved at an Extraordinary General Meeting held on 29 July 2022.]

### B7. Borrowings and Debt Securities

The Group’s borrowings as at 31 May 2022 are as follows:

	At end of current quarter 31 May 2022 (RM)		
	Short term Borrowings	Long term borrowings	Total Borrowings
<b>Secured:</b>			
Lease Liability	151,275	176,798	328,073
Term Loan	13,477	195,495	208,972
	<u>164,752</u>	<u>372,293</u>	<u>537,045</u>

### B8. Derivative Financial Instruments

The Group does not have any derivative financial instruments as at the date of this report.

### B9. Material Litigation

Save as disclosed below, the Company and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries as at the date of this announcement:

On 29 July 2021, the Company informed that the Appellant / Plaintiff has lodged an appeal against the High Court Judge's decision (dismissing the Appellant's / Plaintiff's Appeal) on 26.07.2021. In this regard, the further case management for the appeal is now fixed on 06.10.2022.

### B10. Dividend

No interim dividend has been declared for the current quarter under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MAY 2022**

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**B11. Earnings Per Share**

	Current Quarter Ended 31.05.22	Current Year To Date 31.05.22
Net profit/(loss) attributable to owner of the Company (RM'000)	13,077	48,612
Weighted average number of ordinary shares in issue (RM'000)	505,538	505,538
Basic earnings per share (sen)	2.59	9.62

The diluted earnings per share equals the basic earnings per share as the Company did not have any potential dilutive ordinary shares during the financial year.

**B12. Profit Before Taxation**

	Current Quarter 31.05.22 RM'000	Current Year To Date 31.05.22 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Interest income	(176)	(679)
Other income including investment income	-	-
Interest expense	3	16
Depreciation and amortization	678	2,625
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain/(loss)	2,704	1,604
Gain/(loss) on derivatives	-	-
Exceptional items	-	-