



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MAY 2019**

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2019 RM'000	Preceding Year Corresponding Quarter 31/05/2018 RM'000	Current Year To Date 31/05/2019 RM'000	Preceding Year Corresponding Period 31/05/2018 RM'000
Revenue	145,023	178,385	145,023	178,385
Operating Expenses	(128,866)	(158,410)	(128,866)	(158,410)
Other Operating Income	1,170	1,003	1,170	1,003
Profit from Operations	17,327	20,978	17,327	20,978
Finance Cost	(3,148)	(2,258)	(3,148)	(2,258)
Share of profit/(loss) in associate company	107	(57)	107	(57)
Profit before taxation	14,286	18,663	14,286	18,663
Taxation	(3,111)	(4,540)	(3,111)	(4,540)
Profit for the period	11,175	14,123	11,175	14,123
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	(142)	(1,207)	(142)	(1,207)
Realisation of revaluation reserve upon depreciation of revalued asset	50	50	50	50
Transfer of revaluation reserve to unappropriated profit	(50)	(50)	(50)	(50)
Fair value loss on cash flow hedge	(432)	(146)	(432)	(146)
Total comprehensive income for the period	10,601	12,770	10,601	12,770
Profit for the period attributable to:				
Owners of the Company	11,175	14,123	11,175	14,123
Total comprehensive income for the period attributable to:				
Owners of the Company	10,601	12,770	10,601	12,770
Earnings per share				
(a) Basic earnings per ordinary share (sen)	1.49	1.90	1.49	1.90
(b) Diluted earnings per ordinary share (sen)	1.46	1.83	1.46	1.83

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 2019 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 2019**

	31/05/2019	28/02/2019
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	230,404	230,564
Prepaid Land Lease Payments	32,406	32,552
Right-of-use assets	7,183	-
Capital Work-in-progress	14,055	13,691
Investment Properties	6,300	6,300
Investment In An Associate Company	2,889	2,782
Derivatives Financial Instruments	21	43
Goodwill on Acquisition	1,194	1,190
Deferred Tax Assets	2,225	2,016
	<u>296,677</u>	<u>289,138</u>
Current Assets		
Inventories	353,180	356,266
Trade and Other Receivables	146,349	157,813
Amount Due from An Associate Company	36,011	36,518
Derivatives Financial Instruments	387	797
Fixed Deposits with Licensed Banks	2,564	2,547
Cash and Bank Balances	57,376	48,606
	<u>595,867</u>	<u>602,547</u>
TOTAL ASSETS	<u><u>892,544</u></u>	<u><u>891,685</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	209,473	208,298
Treasury Shares	(393)	(4,171)
Revaluation Reserve	12,084	12,134
Warrants Reserve	14,749	14,749
Other Reserves	11,673	12,109
Unappropriated Profit	354,556	343,331
TOTAL EQUITY	<u>602,142</u>	<u>586,450</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	47,912	48,854
Other Payables	238	265
Deferred Tax Liabilities	4,508	4,521
	<u>52,658</u>	<u>53,640</u>
Current Liabilities		
Trade and Other Payables	40,088	49,032
Overdraft and Short Term Borrowings	186,674	194,884
Amount Due to An Associate Company	442	320
Lease liabilities	7,221	-
Tax Payable	3,319	3,582
Dividend Payable	-	3,777
	<u>237,744</u>	<u>251,595</u>
Total Liabilities	<u>290,402</u>	<u>305,235</u>
TOTAL EQUITY AND LIABILITIES	<u><u>892,544</u></u>	<u><u>891,685</u></u>
NET ASSETS PER SHARE (RM)	0.80	0.79

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 2019 and the accompanying explanatory notes attached to the interim financial reports.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MAY 2019

	GROUP	GROUP
	31/05/2019	31/05/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,286	18,663
Adjustments for:		
Allowance for impairment of receivables (net)	783	307
(Reversal of)/allowance for slow moving inventories (net)	(429)	294
Amortisation of prepaid land lease payments	146	146
Depreciation of property, plant and equipment	4,213	4,090
Depreciation of right-of-use assets	99	-
Interest expense	2,807	1,952
Interest expense on lease liabilities	97	-
Interest income	(225)	(233)
Gain on disposal of property, plant and equipment	(341)	(67)
Unrealised exchange gain on foreign exchange	(905)	(2,020)
Other non-cash items	481	351
Operating profit before changes in working capital	21,012	23,483
Changes in working capital:-		
Inventories	3,515	4,000
Receivables	10,697	(35,075)
Payables	(8,124)	14,618
Associate company	629	(527)
Cash generated from operations	27,729	6,499
Tax paid (net)	(3,705)	(3,404)
Net cash generated from operating activities	24,024	3,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	225	229
Purchase of property, plant and equipment	(4,637)	(1,243)
Proceeds from disposal of property, plant and equipment	619	67
Capital work-in-progress incurred	(364)	(296)
Net cash used in investing activities	(4,157)	(1,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(3,723)
Proceeds from issuance of share capital	946	359
Purchase of treasury shares	-	(1,289)
Interest paid	(2,638)	(1,932)
Repayment of lease liabilities	(158)	-
(Repayment of)/proceeds from short-term borrowings	(8,789)	26,300
Drawdown of borrowings	2,868	-
Repayment of borrowings	(3,243)	(3,491)
Net cash (used in)/ generated from financing activities	(11,014)	16,224
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,853	18,076
EFFECT OF EXCHANGE RATE CHANGES	(66)	(941)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	51,153	70,223
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	59,940	87,358

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 2019 and the accompanying explanatory notes attached to the interim financial reports.

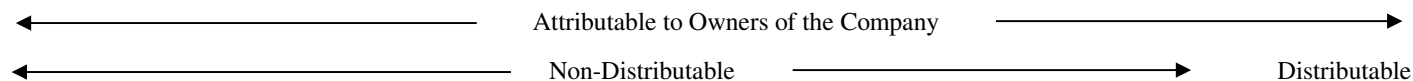


PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2019 (continued)



	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 2019	208,298	(4,171)	14,749	12,134	2,960	8,309	840	343,331	586,450
Transactions with owners:									
Issuance of shares pursuant to exercise of ESOS	1,175	-	-	-	(229)	-	-	-	946
Share options granted under ESOS	-	-	-	-	367	-	-	-	367
Distribution of share dividend declared in prior financial year	-	3,778	-	-	-	-	-	-	3,778
Total transactions with owners	1,175	3,778	-	-	138	-	-	-	5,091
Profit for the period	-	-	-	-	-	-	-	11,175	11,175
Other comprehensive income for the period	-	-	-	(50)	-	(142)	(432)	50	(574)
Total comprehensive income for the period	-	-	-	(50)	-	(142)	(432)	11,225	10,601
Balance as at 31 May 2019	209,473	(393)	14,749	12,084	3,098	8,167	408	354,556	602,142

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 2019 and the accompanying explanatory notes attached to the interim financial reports



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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 2019. 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 2019.

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 2019, 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 except for the following:

MFRS 16 Leases

MFRS 16, Leases replaces the guidance in MFRS 117, Leases, IC Interpretation 4 Determining Whether an Arrangement Contains A Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of A Lease.

Essentially, the new Standard requires all lease arrangements (“right of use assets”) to be recognised on the statements of financial position. The Structure of the statements of profit or loss will change as the previous lease expense will be replaced by a depreciation charge on the right of use assets and the interest expenses on the corresponding lease liability. The related cash flows will be divided into a repayment of the lease liability and interest portion, thus changing the structure of the cash flows.



INTERIM FINANCIAL REPORT

A2 Summary of Significant Accounting Policies (continued)

(a) Adoption of new or revised MFRSs (continued)

MFRS 16 Leases (continued)

The Group will apply MFRS 16 for the first time using the modified retrospective method of which the comparative amounts for the period prior to the first adoption of the new Standard will not be restated. The following analyses the impact of transition to MFRS 16 on the statement of financial position of the Group:

	As at 1 March 2019 RM'000
Right-of-use assets	
Closing balance as at 28 February 2019	-
- Recognition of right-of-use assets under MFRS 16	<u>7,282</u>
Opening balance as at 1 March 2019	<u><u>7,282</u></u>
Lease liabilities	
Closing balance as at 28 February 2019	-
- Recognition of right-of-use assets under MFRS 16	<u>7,282</u>
Opening balance as at 1 March 2019	<u><u>7,282</u></u>

(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.

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 2019 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.



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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.

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 749,365,545 ordinary shares.

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

During the current financial year-to-date under review, 2,279,200 number of ordinary shares were issued under the Company's ESOS.

A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
Second interim dividend in respect of financial year ended 28 February 2019, paid on 12 April 2019 Share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held	3,778	
Third interim dividend in respect of financial year ended 28 February 2018, paid on 20 April 2018 Single tier dividend of 0.50 sen per ordinary share		3,723
	3,778	3,723



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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 2019					
Revenue					
External Revenue	90,282	54,741	-	-	145,023
Intersegment revenue	8,696	10,202	1,015	(19,913)	-
Total revenue	98,978	64,943	1,015	(19,913)	145,023
Segment Profit	11,680	5,071	374	(23)	17,102
Interest income					225
Finance costs					(3,148)
Share of profit in associate					107
Profit before tax					14,286
	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 2018					
Revenue					
External Revenue	103,148	75,237	-	-	178,385
Intersegment revenue	8,149	13,462	5,050	(26,661)	-
Total revenue	111,297	88,699	5,050	(26,661)	178,385
Segment Profit	14,113	6,926	4,172	(4,466)	20,745
Interest income					233
Finance costs					(2,258)
Share of loss in associate					(57)
Profit before tax					18,663

* PVF: Represents pipes, valves and fittings.



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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	156,831	194,091
Generated by overseas operation	8,105	10,955
	164,936	205,046
Inter-segments elimination	(19,913)	(26,661)
	145,023	178,385

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 changes to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2019.

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 2019
	RM'000
Corporate guarantees	<u>775,383</u> *

* Represents the total limit of Pantech's corporate guarantee



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A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 May 2019 are as follows:

	31 May 2019
	RM'000
Approved and contracted for	<u>8,280</u>



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

B1 Review of Performance

	Revenue		Revenue	
	Current Quarter		3 months to	
	31-May-19	31-May-18	31-May-19	31-May-18
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	90,282	103,148	90,282	103,148
Manufacturing	54,741	75,237	54,741	75,237
Investment and Management	-	-	-	-
Consolidated Total	145,023	178,385	145,023	178,385

	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		3 months to	
	31-May-19	31-May-18	31-May-19	31-May-18
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	10,895	13,032	10,895	13,032
Manufacturing	4,660	6,580	4,660	6,580
Investment and Management	(1,269)	(949)	(1,269)	(949)
Consolidated Total	14,286	18,663	14,286	18,663

Trading Division

For the current quarter ended 31 May 2019, the trading division recorded lower external revenue of RM90.28 million (Q1FY19: RM103.15 million) and lower segment profit before tax of RM10.90 million (Q1FY19: RM13.03 million), a decrease of approximately RM12.87 million (12.47%) and RM2.14 million (16.40%) respectively.

The lower revenue and segment profit before tax for the current quarter and the 3 months ended 31 May 2019 was mainly due to the lower sales demand and delivery in local oil and gas projects.



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B1 Review of Performance (continued)

Manufacturing Division

For the current quarter ended 31 May 2019, the manufacturing division recorded lower external revenue of RM54.74 million (Q1FY19: RM75.24 million) and a lower segment profit before tax of RM4.66 million (Q1FY19: RM6.58 million), a decrease of approximately RM20.50 million (27.24%) and RM1.92 million (29.18%) respectively.

The lower revenue and segment profit before tax for the current quarter and the 3 months ended 31 May 2019 was mainly due to the lower sales contribution from carbon steel manufacturing plant due to the suspension on shipments to United States arising from the preliminary affirmative anti-circumvention determination on Malaysia.

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 May 2019, the Group registered lower revenue of RM145.02 million (Q1FY19: RM178.39 million) and lower profit before tax ("PBT") of RM14.29 million (Q1FY19: RM18.66 million). The weaker performance for the current quarter were mainly due to lower sales contribution from local trading division and carbon steel manufacturing plant.

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group reported marginal higher revenue of RM145.02 million compared to the preceding quarter of RM142.61 million. Correspondingly, the Group reported a comparable profit after taxation ("PAT") of RM11.18 million compared to preceding quarter of RM11.28 million.

B3 Prospects

The Group remains cautiously optimistic on the development in the oil and gas industries with the current oil price trading around USD60 per barrel range. The Group will prudently continue to focus and expand on its existing revenue generating businesses and seek opportunities to grow its businesses, both local and overseas, by expanding its capacity as the major pipes, valves and fittings solutions provider to the oil and gas industries, related upstream and downstream industries.

The trade tensions around the world is lean towards a protectionist one, and this in turn poses major challenges to our export business. Having said that, the carbon steel manufacturing plant will commence shipments of its carbon steel butt-weld fittings to U.S. immediately following the positive outcome on the final affirmative determination concerning circumvention of antidumping duty order on carbon steel butt-weld fittings from Malaysia issued on 14 June 2019.



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B3 Prospects (continued)

Besides that, the Group also see the opportunities to secure orders from the increased activities in upstream oil and gas activities in Malaysia and Southeast Asia.

Barring further unforeseen circumstances, the Group expects its overall performance for the current financial year to remain satisfactory.

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 Quarter 31-May-19 RM'000	Preceding Year Corresponding Quarter 31-May-18 RM'000	Current Year To Date 31-May-19 RM'000	Preceding Year Corresponding Period 31-May-18 RM'000
Current taxation	3,330	4,630	3,330	4,630
Over provision of taxation in prior year	-	(16)	-	(16)
Transferred to deferred tax asset	(204)	(59)	(204)	(59)
Crystallization of deferred taxation upon depreciation of revalued assets	(15)	(15)	(15)	(15)
	<u>3,111</u>	<u>4,540</u>	<u>3,111</u>	<u>4,540</u>

Tax expense for the current quarter and financial year-to-date ended 31 May 2019 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 quarter is lower than the statutory rate which mainly due to utilisation 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.



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B7 Group Borrowings and Debt Securities

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

	Current RM'000	Non-current RM'000
<u>Unsecured:-</u>		
- Term loans	15,570	43,384
- Hire purchase	2,354	4,528
- Bankers' acceptances, trust receipts and other short term loan	167,318	-
- Foreign currency loan	1,432	-
	<u>186,674</u>	<u>47,912</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
SGD Dollar	88	269
GBP Pound	267	1,432
	<u>267</u>	<u>1,432</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 shares in respect of the financial year ending 29 February 2020 (Preceding year corresponding period: Nil). The first interim dividend will be paid on 24 October 2019 to shareholders whose name appear on the Company's Record of Depositors on 30 September 2019.

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



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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-19 RM'000	31-May-18 RM'000	31-May-19 RM'000	31-May-18 RM'000
Net profit attributable to owners of the Company	11,175	14,123	11,175	14,123
Weighted average number of ordinary share in issue ('000)	748,728	743,054	748,728	743,054
Basic earnings per ordinary share (sen)	1.49	1.90	1.49	1.90

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 all outstanding warrants and ESOS.



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B10 Earnings per Share (continued)

b) Diluted Earnings per Share (continued)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-19 RM'000	Preceding Year Corresponding Quarter 31-May-18 RM'000	Current Year To Date 31-May-19 RM'000	Preceding Year Corresponding Period 31-May-18 RM'000
Net profit attributable to owners of the Company:	11,175	14,123	11,175	14,123
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	748,728	743,054	748,728	743,054
Adjustment for dilutive effect on exercise of Warrants ('000)	7,086	24,691	7,086	24,691
Adjustment for dilutive effect on exercise of ESOS options ('000)	8,459	5,468	8,459	5,468
	764,273	773,213	764,273	773,213
Diluted earnings per ordinary share (sen)	1.46	1.83	1.46	1.83

B11 Share Buy Back

As at end of current quarter, a total of 770,879 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 RM0.51 per share.



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B12 Derivative Financial Instruments

	As at 31-May-19	
	Contract/ Notional amount RM'000	Fair value Assets RM'000
Hedging derivatives:-		
Cash flow hedges		
- Cross Currency Swap	4,257	408
		RM'000
<u>Analysed as:-</u>		
Within 1 year		387
More than 1 year but less than 5 years		21
		<u>408</u>

The Group held cross currency swap contracts designated as hedges of cash flow currency risk for certain borrowings. The terms of the cross currency swap contracts have been negotiated to match the terms of the borrowings.

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 28 February 2019:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the financial derivatives;
- (c) the policy in place for mitigating or controlling the risks associated with these financial derivatives; and
- (d) the related accounting policies.

The cash flow hedges of the borrowings were assessed to be highly effective and a net unrealized loss of approximately RM432,000 relating to the hedging instruments are included in other comprehensive income. None was reclassified from equity to profit or loss during the current financial year.



INTERIM FINANCIAL REPORT

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 31-May-19 RM'000	Financial Year Ended 31-May-19 RM'000
Interest income	225	225
Other income including investment income	241	241
Interest expense	(2,904)	(2,904)
Depreciation and amortization	(4,458)	(4,458)
Allowance for impairment and write off of receivables	(783)	(783)
Allowance for slow moving and write off of inventories	429	429
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	341	341
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	84	84
Unrealised foreign exchange gain/(loss)	905	905
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

Date: 25th July 2019