

**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 28 FEBRUARY 2022**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/02/2022 RM'000	Preceding Year Corresponding Quarter 28/02/2021 RM'000	Current Year To Date 28/02/2022 RM'000	Preceding Year Corresponding Period 28/02/2021 RM'000
Revenue	258,868	136,245	753,196	486,258
Operating Expenses	(225,899)	(121,517)	(652,633)	(448,524)
Other Operating Income	1,695	3,175	3,813	5,175
Profit from Operations	34,664	17,903	104,376	42,909
Finance Cost	(1,927)	(1,369)	(6,771)	(6,838)
Share of (loss)/profit in associate company	(323)	(150)	81	(58)
Profit before taxation	32,414	16,384	97,686	36,013
Taxation	(11,147)	(3,833)	(25,561)	(9,545)
Profit for the period	21,267	12,551	72,125	26,468
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	76	1,243	1,844	1,603
Realisation of revaluation reserve upon depreciation of revalued asset	225	404	904	1,084
Transfer of revaluation reserve to unappropriated profit	(225)	(404)	(904)	(1,084)
Fair value loss on cash flow hedge	-	(8)	(7)	(88)
Total comprehensive income for the period	21,343	13,786	73,962	27,983
Profit for the period attributable to:				
Owners of the Company	21,267	12,551	72,125	26,468
Non-controlling interest	-	-	-	-
	21,267	12,551	72,125	26,468
Total comprehensive income for the period attributable to:				
Owners of the Company	21,343	13,786	73,962	27,983
Non-controlling interest	-	-	-	-
	21,343	13,786	73,962	27,983
Earnings per share				
(a) Basic earnings per ordinary share (sen)	2.74	1.68	9.28	3.55
(b) Diluted earnings per ordinary share (sen)	2.71	1.68	9.20	3.53

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



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022

	28/02/2022 Unaudited	28/02/2021 Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	325,024	330,781
Capital Work-in-progress	13,673	10,086
Investment Properties	6,300	6,300
Investment In An Associate Company	2,842	2,761
Other Investments	438	-
Deferred Tax Assets	3	3
	<u>348,280</u>	<u>349,931</u>
Current Assets		
Inventories	398,984	289,084
Trade and Other Receivables	233,518	105,586
Amount Due from An Associate Company	8,790	23,826
Derivatives Financial Instruments	-	6
Fixed Deposits with Licensed Banks	2,693	2,665
Cash and Bank Balances	177,660	135,051
	<u>821,645</u>	<u>556,218</u>
TOTAL ASSETS	<u>1,169,925</u>	<u>906,149</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	258,892	210,312
Share Application Money	29	-
Treasury Shares	(7,591)	(1,772)
Revaluation Reserve	59,762	60,666
Warrants Reserve	-	7,294
Other Reserves	13,441	14,661
Unappropriated Profit	430,280	383,262
TOTAL EQUITY	<u>754,813</u>	<u>674,423</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	32,501	41,539
Lease liabilities	9,280	10,301
Deferred Tax Liabilities	23,233	14,620
	<u>65,014</u>	<u>66,460</u>
Current Liabilities		
Trade and Other Payables	149,155	34,724
Overdraft and Short Term Borrowings	187,494	121,476
Derivative Financial Instruments	4	-
Lease liabilities	2,278	3,025
Tax Payable	2,970	2,288
Dividend Payable	8,197	3,753
	<u>350,098</u>	<u>165,266</u>
Total Liabilities	<u>415,112</u>	<u>231,726</u>
TOTAL EQUITY AND LIABILITIES	<u>1,169,925</u>	<u>906,149</u>
NET ASSETS PER SHARE (RM)	0.90	0.90

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28 FEBRUARY 2022

	GROUP 28/02/2022 RM'000	GROUP 28/02/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	97,686	36,013
Adjustments for:		
(Reversal of allowance) / Allowance for impairment of receivables (net)	(68)	1,580
Allowance for slow moving inventories (net)	283	284
Depreciation of property, plant and equipment	15,922	15,570
Depreciation of right-of-use assets	3,329	3,679
Interest expense	4,655	5,558
Interest expense on lease liabilities	685	728
Interest income	(1,573)	(1,101)
Gain on disposal of property, plant and equipment	(98)	(61)
Fair value gain on other investments	(39)	-
Loss on fair value of derivatives financial instruments	3	1
Unrealised exchange loss on foreign exchange	81	255
Other non-cash items	703	1,978
Operating profit before changes in working capital	121,569	64,484
Changes in working capital:-		
Inventories	(110,183)	15,886
Receivables	(127,442)	16,611
Payables	114,264	(3,563)
Associate company	15,036	11,742
Cash generated from operations	13,244	105,160
Tax paid (net)	(16,267)	(7,993)
Net cash (used in) / generated from operating activities	(3,023)	97,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,573	1,101
Purchase of property, plant and equipment	(12,515)	(4,321)
Proceeds from disposal of property, plant and equipment	186	119
Capital work-in-progress incurred	(4,289)	(9,872)
Purchase of other investments	(399)	-
Net cash used in investing activities	(15,444)	(12,973)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(23,241)	(9,703)
Proceeds from issuance of share capital	39,128	316
Purchase of treasury shares	(5,819)	(3,749)
Interest paid	(5,678)	(6,285)
Share application money received	29	-
Repayment of lease liabilities	(3,231)	(3,078)
Drawdown/(Repayment) of short-term borrowings	65,848	(7,027)
Drawdown of borrowings	8,298	5,119
Repayment of borrowings	(16,038)	(11,886)
Net cash generated from / (used in) financing activities	59,296	(36,293)
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,829	47,901
EFFECT OF EXCHANGE RATE CHANGES	1,808	1,114
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	137,716	88,701
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	180,353	137,716

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



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2022

	← Attributable to Owners of the Company →								→
	← Non-Distributable →				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000	Total Equity RM'000
Balance as at 1 March 2020	209,920	(892)	14,749	61,750	4,297	8,102	95	360,866	658,887
Transactions with owners:									
Issuance of shares pursuant to exercise of ESOS	383	-	-	-	(74)	-	-	-	309
Issuance of shares pursuant to exercise of Warrants	9	-	(1)	-	-	-	-	-	8
Transfer of reserves upon expiry of Warrants	-	-	(7,454)	-	-	-	-	7,454	-
Acquisition of treasury shares	-	(3,749)	-	-	-	-	-	-	(3,749)
Share options granted under ESOS	-	-	-	-	726	-	-	-	726
Fourth interim share dividend distributed to Shareholders	-	2,869	-	-	-	-	-	(2,869)	-
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	(2,250)	(2,250)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	(3,735)	(3,735)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	(3,756)	(3,756)
Total transactions with owners	392	(880)	(7,455)	-	652	-	-	(5,156)	(12,447)
Profit for the period	-	-	-	-	-	-	-	26,468	26,468
Other comprehensive income for the period	-	-	-	(1,084)	-	1,603	(88)	1,084	1,515
Total comprehensive income for the period	-	-	-	(1,084)	-	1,603	(88)	27,552	27,983
Balance as at 28 February 2021	210,312	(1,772)	7,294	60,666	4,949	9,705	7	383,262	674,423



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2022 (continued)

	Attributable to Owners of the Company								Unappropriated Profits RM'000	Total RM'000	Total Equity RM'000
	Non-Distributable				Distributable						
	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	Cash Flow Hedge Reserve RM'000			
Balance as at 1 March 2021	210,312	-	(1,772)	7,294	60,666	4,949	9,705	7	383,262	674,423	674,423
Transactions with owners:											
Issuance of shares pursuant to exercise of ESOS	19,538	-	-	-	-	(3,831)	-	-	-	15,707	15,707
Issuance of shares pursuant to exercise of Warrants	29,042	-	-	(5,621)	-	-	-	-	-	23,421	23,421
Transfer of reserves upon expiry of Warrants	-	-	-	(1,673)	-	-	-	-	1,673	-	-
Share application money received	-	29	-	-	-	-	-	-	-	29	29
Acquisition of treasury shares	-	-	(5,819)	-	-	-	-	-	-	(5,819)	(5,819)
Share options granted under ESOS	-	-	-	-	-	774	-	-	-	774	774
Final dividend payable to Shareholders	-	-	-	-	-	-	-	-	(7,676)	(7,676)	(7,676)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	(3,852)	(3,852)	(3,852)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	(7,960)	(7,960)	(7,960)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	(8,196)	(8,196)	(8,196)
Total transactions with owners	48,580	29	(5,819)	(7,294)	-	(3,057)	-	-	(26,011)	6,428	6,428
Profit for the period	-	-	-	-	-	-	-	-	72,125	72,125	72,125
Other comprehensive income for the period	-	-	-	-	(904)	-	1,844	(7)	904	1,837	1,837
Total comprehensive income for the period	-	-	-	-	(904)	-	1,844	(7)	73,029	73,962	73,962
Balance as at 28 February 2022	258,892	29	(7,591)	-	59,762	1,892	11,549	-	430,280	754,813	754,813

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



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation

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

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

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

A2 Summary of Significant Accounting Policies

(a) Adoption of new or revised MFRSs

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

(b) Standards Issued But Not Yet Effective

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

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

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



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A2 Summary of Significant Accounting Policies (continued)

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

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

- MFRS 17 – *Insurance Contracts*
- Amendments to MFRS 4 – *Insurance Contracts**
- Amendments to MFRS 17 – *Insurance Contracts*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 108 – *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 112 – *Income Taxes*

(iii) Amendments effective for date yet to be confirmed

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

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

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

A3 Audit Report of Preceding Annual Financial Statement

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

A4 Seasonal or Cyclical Factors

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

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

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

A6 Material Changes in Estimates

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



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A7 Debt and Equity Securities

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

a) Treasury Shares

During the current financial year-to-date under review, the Company had purchased 11,411,200 ordinary share or 1.37% of its issued share capital from the open market at the average price paid of RM0.51 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 819,652,779 ordinary shares.

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

During the current financial year-to-date under review, 37,138,300 number of ordinary shares were issued under the Company's ESOS.

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

During the current financial year-to-date under review, a total of 46,842,900 units of Warrant B were exercised at the exercised price of RM0.50 per unit.

The Warrant B had expired on 21 December 2021.



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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

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 2022, paid on 23 December 2021 Single tier dividend of 1.00 sen per ordinary share	7,960	
First interim dividend in respect of financial year ended 28 February 2022, paid on 8 October 2021 Single tier dividend of 0.50 sen per ordinary share	3,852	
Final single tier dividend and Special final single tier dividend in respect of financial year ended 28 February 2021, paid on 10 September 2021 1) Final single tier dividend of 0.50 sen per ordinary share; 2) Special final single tier dividend of 0.50 sen per ordinary share	7,676	
Third interim dividend in respect of financial year ended 28 February 2021, paid on 16 April 2021 Single tier dividend of 0.50 sen per ordinary share	3,753	
Second interim dividend in respect of financial year ended 28 February 2021, paid on 15 January 2021 Single tier dividend of 0.50 sen per ordinary share		3,735
First interim dividend in respect of financial year ended 28 February 2021, paid on 25 September 2020 Single tier dividend of 0.30 sen per ordinary share		2,250
Fourth interim dividend in respect of financial year ended 29 February 2020, paid on 18 August 2020 Share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held		2,869
Third interim dividend in respect of financial year ended 29 February 2020, paid on 10 April 2020 Single tier dividend of 0.50 sen per ordinary share		3,718
	23,241	12,572

Subsequent to the interim financial period ended 28 February 2022, the Company had on 25 March 2022 paid a third interim single tier dividend of 1.00 sen per ordinary share in respect of financial year ended 28 February 2022, amounting to approximately RM8.20 million.



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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9 Segment Information

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

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings, galvanising RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 28 February 2022					
Revenue					
External Revenue	411,503	341,693	-	-	753,196
Intersegment revenue	22,910	63,126	26,339	(112,375)	-
Total revenue	434,413	404,819	26,339	(112,375)	753,196
Segment Profit	50,261	55,263	24,713	(26,834)	103,403
Interest income					1,573
Finance costs					(6,771)
Share of profit in associate					81
Profit before tax					97,686
	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 28 February 2021					
Revenue					
External Revenue	272,322	213,936	-	-	486,258
Intersegment revenue	20,720	40,148	27,197	(88,065)	-
Total revenue	293,042	254,084	27,197	(88,065)	486,258
Segment Profit	32,581	9,994	24,269	(25,036)	41,808
Interest income					1,101
Finance costs					(6,838)
Share of loss in associate					(58)
Profit before tax					36,013

* 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	833,426	545,025
Generated by overseas operation	32,145	29,298
	865,571	574,323
Inter-segments elimination	(112,375)	(88,065)
	753,196	486,258

A10 Valuation of Property, Plant and Equipment

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

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

A11 Material Events Subsequent to the End of the Interim Period

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

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

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

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

	28 February 2022
	RM'000
Corporate guarantees	<u>658,234</u> *

* Represents the total limit of Pantech's corporate guarantee



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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 28 February 2022 are as follows: -

	28 February 2022
	RM'000
Approved and contracted for	<u>13,934</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 12 months to	
	28-Feb-22	28-Feb-21	28-Feb-22	28-Feb-21
	RM'000	RM'000	RM'000	RM'000
Trading	158,388	72,958	411,503	272,322
Manufacturing	100,480	63,287	341,693	213,936
Investment and Management	-	-	-	-
Consolidated Total	258,868	136,245	753,196	486,258

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 12 months to	
	28-Feb-22	28-Feb-21	28-Feb-22	28-Feb-21
	RM'000	RM'000	RM'000	RM'000
Trading	12,437	13,857	45,750	31,915
Manufacturing	21,245	3,862	56,044	9,505
Investment and Management	(1,268)	(1,335)	(4,108)	(5,407)
Consolidated Total	32,414	16,384	97,686	36,013

Trading Division

For the current quarter ended 28 February 2022, the trading division recorded a higher external revenue of RM158.39 million (Q4FY21: RM72.96 million) but a lower segment profit before tax of RM12.44 million (Q4FY21: RM13.86 million), an increase of approximately RM85.43 million (117.09%) and a decrease of RM1.42 million (10.25%) respectively.

The higher revenue for the current quarter ended 28 February 2022 was mainly due to higher deliveries to local oil and gas projects. A lower profit before tax was reported mainly due to changes in product mix.

For the 12 months ended 28 February 2022, the trading division recorded higher external revenue of RM411.50 million (12 months FY21: RM272.32 million) and a higher segment profit before tax of RM45.75 million (12 months FY21: RM31.92 million), an increase of approximately RM139.18 million (51.11%) and RM13.83 million (43.33%) respectively.



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

B1 Review of Performance (continued)

Trading Division (continued)

The higher revenue for the 12 months ended 28 February 2022 was mainly due to optimised trading operations during current 12 months period and higher deliveries to local oil and gas sector compared to partial operation restricted by MCO imposed by the government last year. In addition, a better product mix and higher product price has contributed to a higher segment profit before tax for the 12 months ended 28 February 2022.

Manufacturing Division

For the current quarter ended 28 February 2022, the manufacturing division recorded higher external revenue of RM100.48 million (Q4FY21: RM63.29 million) and a higher segment profit before tax of RM21.25 million (Q4FY21: RM3.86 million), an increase of approximately RM37.19 million (58.76%) and RM17.39 million (450.52%) respectively.

For the 12 months ended 28 February 2022, the manufacturing division recorded higher external revenue of RM341.69 million (12 months FY21: RM213.94 million) and a higher segment profit before tax of RM56.04 million (12 months FY21: RM9.51 million), an increase of approximately RM127.75 million (59.71%) and RM46.53 million (489.27%) respectively.

The higher revenue and segment profit before tax for the current quarter and 12 months ended 28 February 2022 was mainly due to optimised manufacturing operations during the period to meet robust export demand compared to partial operation restricted by MCO imposed by the government last year. In addition, a better product mix and higher product price has contributed a higher segment profit before tax for the current quarter and 12 months ended 28 February 2022.

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 28 February 2022, the Group registered a higher revenue of RM258.87 million (Q4FY21: RM136.25 million) and a higher profit before tax ("PBT") of RM32.41 million (Q4FY21: RM16.38 million).

For the 12 months ended 28 February 2022, the Group registered a higher revenue of RM753.20 million (12 months FY21: RM486.26 million) and a higher PBT of RM97.69 million (12 months FY21: RM36.01 million).

The higher revenue and PBT for the current quarter and 12 months period was mainly due to optimised trading and manufacturing operations, higher local oil and gas demand, stable palm oil prices, robust export demand and higher product prices.



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

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group reported a higher revenue of RM258.87 million compared to the preceding quarter of RM209.34 million, and a higher profit after taxation ("PAT") of RM21.27 million compared to preceding quarter of RM20.36 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 gradual 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. Furthermore, the sustainability of palm oil prices should sustain the Group revenue through the next financial year. 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 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 next financial year in view of improving economic activities and rising oil and gas prices.

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.



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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 28-Feb-22 RM'000	Preceding Year Corresponding Quarter 28-Feb-21 RM'000	Current Year To Date 28-Feb-22 RM'000	Preceding Year Corresponding Period 28-Feb-21 RM'000
Current taxation	3,585	2,360	16,920	9,620
Under/(over) provision in prior year	1	(270)	29	(482)
Transferred (to)/from deferred tax assets	(97)	1,136	(46)	1
Transferred to deferred tax liabilities	7,724	672	8,924	672
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(65)	(266)	(266)
	11,147	3,833	25,561	9,545

Tax expense for the current quarter and financial year-to-date ended 28 February 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

The Company had on 8 December 2021 announced that the Group entered into a Sale and Purchase Agreement with C & S Realty Corporation Sdn Bhd, a related party to the Group, for the acquisition of a parcel of leasehold vacant industrial land in Zon 12B of Pasir Gudang Industrial Estate, for a total cash consideration of RM5.5 million. The acquisition of land is currently pending the Transfer of Title.

The Company had on 3 January 2022 announced the Company is entering into a Share Sale Agreement for the acquisition of 400,000 ordinary shares, representing 100% equity interest in Unity Precision Engineering Sdn Bhd ("UPESB") for a total purchase consideration of RM13 million. The acquisition of UPESB had completed on 25 April 2022.



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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: -

<u>Borrowings</u>	Current RM'000	Non-current RM'000
<u>Unsecured: -</u>		
- Term loans	16,330	32,501
- Bankers' acceptances, trust receipts and other short term loan	129,505	-
- Foreign currency loan	41,659	-
	<u>187,494</u>	<u>32,501</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	9,683	40,552
GBP Pound	195	1,107

<u>Lease Liabilities</u>	Current RM'000	Non-current RM'000
Lease Liabilities	<u>2,278</u>	<u>9,280</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 is proposing for the shareholders' approval at the forthcoming Annual General Meeting a final single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 28 February 2022 (Preceding year corresponding quarter: 1.00 sen). The details of the entitlement date for the dividend will be announced later.

The total dividend per share for the current financial year is 4.00 sen single tier dividend per ordinary share (Preceding year corresponding period: 2.30 sen).



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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
	28-Feb-22	28-Feb-21	28-Feb-22	28-Feb-21
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to owners of the Company	21,267	12,551	72,125	26,468
Weighted average number of ordinary share in issue ('000)	777,153	745,547	777,153	745,547
Basic earnings per ordinary share (sen)	2.74	1.68	9.28	3.55

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.



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

B10 Earnings per Share (continued)

b) Diluted Earnings per Share (continue)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-22 RM'000	28-Feb-21 RM'000	28-Feb-22 RM'000	28-Feb-21 RM'000
Net profit attributable to owners of the Company:	21,267	12,551	72,125	26,468
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	777,153	745,547	777,153	745,547
Adjustment for dilutive effect on exercise of ESOS options ('000)	7,096	3,434	7,096	3,434
	784,249	748,981	784,249	748,981
Diluted earnings per ordinary share (sen)	2.71	1.68	9.20	3.53

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

B12 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 28-Feb-22 RM'000	Financial Year Ended 28-Feb-22 RM'000
Interest income	445	1,573
Other income including investment income	22	135
Interest expense	(1,395)	(5,340)
Depreciation and amortization	(4,832)	(19,251)
(Allowance for)/Reversal of impairment and write off of receivables	(229)	68
Allowance of slow moving and write off of inventories	(449)	(283)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	-	98
Realised foreign exchange gain	555	2,104
Unrealised foreign exchange loss	(616)	(81)
Loss on derivatives	(4)	(3)
Exceptional items	-	-

Date: 27 April 2022