



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 30 NOVEMBER 2022**

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2022 RM'000	Preceding Year Corresponding Quarter 30/11/2021 RM'000	Current Year To Date 30/11/2022 RM'000	Preceding Year Corresponding Period 30/11/2021 RM'000
Revenue	299,943	209,337	840,605	494,327
Operating Expenses	(251,050)	(182,134)	(713,828)	(426,733)
Other Operating Income	759	781	4,495	2,118
Profit from Operations	49,652	27,984	131,272	69,712
Finance Cost	(3,052)	(1,764)	(7,072)	(4,844)
Share of profit in associate company	94	153	396	404
Profit before taxation	46,694	26,373	124,596	65,272
Taxation	(12,032)	(6,010)	(32,533)	(14,414)
Profit for the period	34,662	20,363	92,063	50,858
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	46	(804)	(1,613)	1,768
Realisation of revaluation reserve upon depreciation of revalued asset	225	227	1,259	679
Transfer of revaluation reserve to unappropriated profit	(225)	(227)	(1,259)	(679)
Fair value loss on cash flow hedge	-	-	-	(7)
Total comprehensive income for the period	34,708	19,559	90,450	52,619
Profit for the period attributable to:				
Owners of the Company	34,662	20,363	92,063	50,858
Non-controlling interest	-	-	-	-
	34,662	20,363	92,063	50,858
Total comprehensive income for the period attributable to:				
Owners of the Company	34,708	19,559	90,450	52,619
Non-controlling interest	-	-	-	-
	34,708	19,559	90,450	52,619
Earnings per share				
(a) Basic earnings per ordinary share (sen)	4.22	2.66	11.21	6.65
(b) Diluted earnings per ordinary share (sen)	4.19	2.63	11.13	6.56

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial reports.

**PANTECH GROUP HOLDINGS BERHAD**Company No. 200601013856 (733607-W)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2022**

	30/11/2022 Unaudited	28/02/2022 Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	322,743	321,198
Capital Work-in-progress	14,083	13,537
Investment Properties	14,168	11,800
Investment In An Associate Company	2,981	2,585
Other Investments	1,279	438
Goodwill on Acquisition	2,343	-
Deferred Tax Assets	3	3
	<u>357,600</u>	<u>349,561</u>
Current Assets		
Inventories	426,440	400,832
Trade and Other Receivables	203,990	229,067
Amount Due from An Associate Company	33,684	8,790
Fixed Deposits with Licensed Banks	2,721	2,693
Cash and Bank Balances	246,030	178,587
	<u>912,865</u>	<u>819,969</u>
TOTAL ASSETS	<u>1,270,465</u>	<u>1,169,530</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	261,574	258,892
Share Application Money	30	29
Treasury Shares	(9,156)	(7,591)
Revaluation Reserve	58,956	59,759
Other Reserves	11,555	13,170
Unappropriated Profit	486,282	429,911
TOTAL EQUITY	<u>809,241</u>	<u>754,170</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	23,646	32,504
Lease liabilities	10,280	9,280
Deferred Tax Liabilities	24,142	23,949
	<u>58,068</u>	<u>65,733</u>
Current Liabilities		
Trade and Other Payables	75,133	149,990
Short Term Borrowings	292,046	187,479
Amount Due to An Associate Company	165	-
Derivative Financial Instruments	-	4
Lease liabilities	2,021	2,278
Tax Payable	21,470	1,679
Dividend Payable	12,321	8,197
	<u>403,156</u>	<u>349,627</u>
Total Liabilities	<u>461,224</u>	<u>415,360</u>
TOTAL EQUITY AND LIABILITIES	<u>1,270,465</u>	<u>1,169,530</u>
NET ASSETS PER SHARE (RM)	0.96	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 2022 and the accompanying explanatory notes attached to the interim financial reports.



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 NOVEMBER 2022

	GROUP 30/11/2022 RM'000	GROUP 30/11/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	124,596	65,272
Adjustments for:		
Allowance for/(reversal of) impairment of receivables (net)	466	(633)
Reversal of allowance for slow moving inventories (net)	(1,082)	(166)
Depreciation of property, plant and equipment	11,144	11,928
Depreciation of right-of-use assets	2,425	2,491
Interest expense	5,787	3,422
Bad debts written off	-	336
Interest expense on lease liabilities	491	523
Interest income	(1,433)	(1,128)
Dividend income	(78)	-
Gain on disposal of property, plant and equipment	(203)	(98)
Fair value loss on other investments	22	-
Gain on fair value of derivatives financial instruments	(4)	(1)
Unrealised exchange loss/(gain) on foreign exchange	1,794	(535)
Other non-cash items	484	121
Operating profit before changes in working capital	144,409	81,532
Changes in working capital:-		
Inventories	(24,525)	(38,432)
Receivables	25,599	(78,269)
Payables	(82,008)	38,431
Associate company	(24,729)	4,078
Cash generated from operations	38,746	7,340
Tax paid (net)	(12,676)	(7,796)
Net cash generated from/(used in) operating activities	26,070	(456)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	78	-
Acquisition of subsidiaries, net of cash acquired	(50)	-
Interest received	1,433	1,128
Purchase of property, plant and equipment	(4,038)	(5,022)
Payment for investment property	(234)	-
Proceeds from disposal of property, plant and equipment	375	186
Capital work-in-progress incurred	(545)	(3,355)
Placement of other investments	(863)	-
Net cash used in investing activities	(3,844)	(7,063)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(32,830)	(15,281)
Proceeds from issuance of share capital	2,143	26,113
Purchase of treasury shares	(1,565)	(4,003)
Interest paid	(6,123)	(3,774)
Share application money received	1	304
Repayment of lease liabilities	(1,922)	(2,622)
Drawdown of short-term borrowings	106,385	50,260
Drawdown of borrowings	1,100	6,896
Repayment of borrowings	(21,151)	(12,035)
Net cash generated from financing activities	46,038	45,858



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2022 (CONTINUED)**

	GROUP 30/11/2022 RM'000	GROUP 30/11/2021 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,264	38,339
EFFECT OF EXCHANGE RATE CHANGES	(793)	1,849
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	181,280	137,716
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	248,751	177,904

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial reports.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2022

	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	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	
Balance as at 1 March 2021	210,312	-	(1,772)	7,294	60,666	4,949	9,705	7	383,262	674,423
Transactions with owners:										
Issuance of shares pursuant to exercise of ESOS	14,090	-	-	-	-	(2,748)	-	-	-	11,342
Issuance of shares pursuant to exercise of Warrants	18,316	-	-	(3,545)	-	-	-	-	-	14,771
Share application money received	-	304	-	-	-	-	-	-	-	304
Acquisition of treasury shares	-	-	(4,003)	-	-	-	-	-	-	(4,003)
Share options granted under ESOS	-	-	-	-	-	522	-	-	-	522
Final dividend payable to Shareholders	-	-	-	-	-	-	-	-	(7,676)	(7,676)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	(3,852)	(3,852)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	(7,960)	(7,960)
Total transactions with owners	32,406	304	(4,003)	(3,545)	-	(2,226)	-	-	(19,488)	3,448
Profit for the period	-	-	-	-	-	-	-	-	50,858	50,858
Other comprehensive income for the period	-	-	-	-	(679)	-	1,768	(7)	679	1,761
Total comprehensive income for the period	-	-	-	-	(679)	-	1,768	(7)	51,537	52,619
Balance as at 30 November 2021	242,718	304	(5,775)	3,749	59,987	2,723	11,473	-	415,311	730,490

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial reports



PANTECH GROUP HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2022 (continued)

	← 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 RM'000	Total Equity RM'000
Balance as at 1 March 2022	258,892	29	(7,591)	59,759	1,894	11,276	429,911	754,170	754,170
Transactions with owners:									
Issuance of shares pursuant to exercise of ESOS	2,682	-	-	-	(539)	-	-	2,143	2,143
Share application money received	-	1	-	-	-	-	-	1	1
Acquisition of treasury shares	-	-	(1,565)	-	-	-	-	(1,565)	(1,565)
Share options granted under ESOS	-	-	-	-	537	-	-	537	537
Final dividend paid to Shareholders	-	-	-	-	-	-	(12,315)	(12,315)	(12,315)
First interim dividend paid to Shareholders	-	-	-	-	-	-	(12,317)	(12,317)	(12,317)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	(12,319)	(12,319)	(12,319)
Total transactions with owners	2,682	1	(1,565)	-	(2)	-	(36,951)	(35,835)	(35,835)
Profit for the period	-	-	-	-	-	-	92,063	92,063	92,063
Other comprehensive income for the period	-	-	-	(803)	-	(1,613)	1,259	(1,157)	(1,157)
Total comprehensive income for the period	-	-	-	(803)	-	(1,613)	93,322	90,906	90,906
Balance as at 30 November 2022	261,574	30	(9,156)	58,956	1,892	9,663	486,282	809,241	809,241

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial reports



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 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2022.

A2 Summary of Significant Accounting Policies

(a) Adoption of new or revised MFRSs

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for year ended 28 February 2022, except for adoption of the new and revised MFRSs and IC Interpretations approved by the Malaysian Accounting Standards Board and applicable for current financial year. The initial application of the new and revised MFRSs and interpretations has no material impacts to this interim financial statements.

(b) Standards Issued But Not Yet Effective

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

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

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



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) Amendments effective for date yet to be confirmed

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

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

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

A3 Audit Report of Preceding Annual Financial Statement

The audited financial statements of the Company and its subsidiary companies for the financial year ended 28 February 2022 were not subject to any audit qualification.

A4 Seasonal or Cyclical Factors

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

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

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

A6 Material Changes in Estimates

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

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 2,600,000 ordinary share or 0.31% of its issued share capital from the open market at the average price paid of RM0.60 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.



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A7 Debt and Equity Securities (continued)

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

a) Treasury Shares (continued)

The Company has the right to cancel, resell any shares purchased and/or distributes as dividends at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended.

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 821,452,979 ordinary shares.

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

During the current financial year-to-date under review, 4,400,200 number of ordinary shares were issued under the Company's ESOS.



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
First interim dividend in respect of financial year ended 28 February 2023, paid on 21 October 2022 Single tier dividend of 1.50 sen per ordinary share	12,317	
Final single tier dividend in respect of financial year ended 28 February 2022, paid on 9 September 2022 Single tier dividend of 1.50 sen per ordinary share	12,315	
Third interim dividend in respect of financial year ended 28 February 2022, paid on 25 March 2022 Single tier dividend of 1.00 sen per ordinary share	8,198	
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
	32,830	15,281

Subsequent to the interim financial period ended 30 November 2022, the Company will be paying a second interim single tier dividend of 1.50 sen per ordinary share on 13 January 2023 in respect of financial year ended 28 February 2023, amounting to approximately RM12.32 million.



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.

	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 30 November 2022					
Revenue					
External Revenue	418,773	421,832	-	-	840,605
Intersegment revenue	24,983	70,313	28,712	(124,008)	-
Total revenue	443,756	492,145	28,712	(124,008)	840,605
Segment Profit	44,261	85,416	27,058	(26,896)	129,839
Interest income					1,433
Finance costs					(7,072)
Share of profit in associate					396
Profit before tax					124,596
	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 30 November 2021					
Revenue					
External Revenue	253,115	241,212	-	-	494,327
Intersegment revenue	14,044	41,032	17,504	(72,580)	-
Total revenue	267,159	282,244	17,504	(72,580)	494,327
Segment Profit	33,652	34,145	16,594	(15,807)	68,584
Interest income					1,128
Finance costs					(4,844)
Share of profit in associate					404
Profit before tax					65,272

* 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	936,433	545,325
Generated by overseas operation	28,180	21,582
	964,613	566,907
Inter-segments elimination	(124,008)	(72,580)
	840,605	494,327

A10 Valuation of Property, Plant and Equipment

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

There was no change to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2022.

A11 Material Events Subsequent to the End of the Interim Period

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

A12 Changes in the Composition of the Group

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: -

	30 November 2022
	RM'000
Corporate guarantees	<u>671,964</u> *

* Represents the total limit of Pantech's corporate guarantee



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 November 2022 are as follows: -

	30 November 2022
	RM'000
Approved and contracted for	<u>7,605</u>



INTERIM FINANCIAL REPORT

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

B1 Review of Performance

Business Segment	Revenue		Revenue	
	Current Quarter		9 months to	
	30-Nov-22	30-Nov-21	30-Nov-22	30-Nov-21
	RM'000	RM'000	RM'000	RM'000
Trading	166,609	106,812	418,773	253,115
Manufacturing	133,334	102,525	421,832	241,212
Investment and Management	-	-	-	-
Consolidated Total	299,943	209,337	840,605	494,327

Business Segment	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		9 months to	
	30-Nov-22	30-Nov-21	30-Nov-22	30-Nov-21
	RM'000	RM'000	RM'000	RM'000
Trading	13,957	10,388	43,183	33,313
Manufacturing	33,672	17,223	84,730	34,799
Investment and Management	(935)	(1,238)	(3,317)	(2,840)
Consolidated Total	46,694	26,373	124,596	65,272

Trading Division

For the current quarter ended 30 November 2022, the trading division recorded higher external revenue of RM166.61 million (Q3FY22: RM106.81 million) and segment profit before tax of RM13.96 million (Q3FY22: RM10.39 million), an increase of approximately RM59.80 million (55.99%) and RM3.57 million (34.36%) respectively.

For the 9 months ended 30 November 2022, the trading division recorded higher external revenue of RM418.77 million (9 months FY22: RM253.12 million) and segment profit before tax of RM43.18 million (9 months FY22: RM33.31 million), an increase of approximately RM165.65 million (65.44%) and RM9.87 million (29.63%) respectively.

The higher revenue and segment profit before tax for the current quarter and 9 months ended 30 November 2022 was mainly due to large projects secured from the increased activities in the oil and gas sector.



INTERIM FINANCIAL REPORT

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 30 November 2022, the manufacturing division recorded higher external revenue of RM133.33 million (Q3FY22: RM102.53 million) and segment profit before tax of RM33.67 million (Q3FY22: RM17.22 million), an increase of approximately RM30.80 million (30.04%) and RM16.45 million (95.53%) respectively.

For the 9 months ended 30 November 2022, the manufacturing division recorded higher external revenue of RM421.83 million (9 months FY22: RM241.21 million) and segment profit before tax of RM84.73 million (9 months FY22: RM34.80 million), an increase of approximately RM180.62 million (74.88%) and RM49.93 million (143.48%) respectively.

The higher revenue and segment profit before tax for the current quarter and 9 months ended 30 November 2022 was mainly due to the overall better product mix, robust export demand and better margin for both carbon steel and stainless steels manufacturing division.

Investment and Management Division

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

Group Performance

For the current quarter ended 30 November 2022, the Group registered higher revenue of RM299.94 million (Q3FY22: RM209.34 million) and profit before tax ("PBT") of RM46.69 million (Q3FY22: RM26.37million).

For the 9 months ended 30 November 2022, the Group registered higher revenue of RM840.61 million (9 months FY22: RM494.33 million) and profit before tax ("PBT") of RM124.60 million (9 months FY22: 65.27 million).

The higher revenue and profit before tax was mainly due to better performance in both trading and manufacturing division as explained above.

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group reported a higher revenue of RM299.94 million compared to the preceding quarter of RM269.99 million, and a higher profit after taxation ("PAT") of RM34.66 million compared to preceding quarter of RM31.00 million. The group achieve higher PAT mainly due to robust export demand and better product mix.



INTERIM FINANCIAL REPORT

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

B3 Prospects

The robust oil prices 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 demands for our products in both domestic and international market. On the economic front, the Group noted recent ongoing geopolitical conflicts, rising interest rate and rising inflation poses risks to the current economic recovery progress as well as the oil and gas demand.

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

Barring further unforeseen circumstances, the Group is optimistic on it's overall performance for the current financial year in view of improving economic activities and rising oil and gas prices.

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 30-Nov-22 RM'000	Preceding Year Corresponding Quarter 30-Nov-21 RM'000	Current Year To Date 30-Nov-22 RM'000	Preceding Year Corresponding Period 30-Nov-21 RM'000
Current taxation	12,231	4,934	32,683	13,334
Under/(over) provision in prior year	(215)	54	(215)	28
Transferred (to)/from deferred tax assets	82	(112)	264	51
Transferred to/(from) deferred tax liabilities	-	1,200	-	1,200
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(66)	(199)	(199)
	12,032	6,010	32,533	14,414



INTERIM FINANCIAL REPORT

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

B5 Taxation (continued)

Tax expense for the current quarter and financial year-to-date ended 30 November 2022 is derived based on management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is higher than the statutory rate, mainly due to certain expenses that are not deductible for tax purpose.

B6 Status of Corporate Proposals

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

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	14,508	23,646
- Bankers' acceptances, trust receipts and other short term loan	220,289	-
- Foreign currency loan	57,249	-
	<u>292,046</u>	<u>23,646</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	12,384	57,249

<u>Lease Liabilities</u>	Current RM'000	Non-current RM'000
Lease Liabilities	<u>2,021</u>	<u>10,280</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.



INTERIM FINANCIAL REPORT

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

B9 Dividends

The Board of Directors has approved and declared a third interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ending 28 February 2023 (Preceding year corresponding quarter: 1.00 sen). The third interim dividend will be paid on 24 March 2023 to shareholders whose name appear on the Company's Record of Depositors on 28 February 2023.

The total dividend per share for the current financial year is 4.5 sen single tier dividend per ordinary share (Preceding year corresponding period: 2.50 sen).

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
	30-Nov-22 RM'000	30-Nov-21 RM'000	30-Nov-22 RM'000	30-Nov-21 RM'000
Net profit attributable to owners of the Company	34,662	20,363	92,063	50,858
Weighted average number of ordinary share in issue ('000)	820,916	764,284	820,916	764,284
Basic earnings per ordinary share (sen)	4.22	2.66	11.21	6.65



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

The Diluted Earnings per Share is calculated by dividing the profit attributable to the owners of the Company on the weighted average number of ordinary shares in issue during the period which has been adjusted for the dilutive effect of ordinary shares that would be issued upon conversion of ESOS and Warrants.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Nov-22 RM'000	30-Nov-21 RM'000	30-Nov-22 RM'000	30-Nov-21 RM'000
Net profit attributable to owners of the Company:	34,662	20,363	92,063	50,858
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	820,916	764,284	820,916	764,284
Adjustment for dilutive effect on exercise of Warrants ('000)	-	4,036	-	4,036
Adjustment for dilutive effect on exercise of ESOS options ('000)	6,130	6,493	6,130	6,493
	827,046	774,813	827,046	774,813
Diluted earnings per ordinary share (sen)	4.19	2.63	11.13	6.56



INTERIM FINANCIAL REPORT

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

B11 Share Buy Back

As at end of current quarter, a total of 18,686,293 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 RM0.49 per share.

B12 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 30-Nov-22 RM'000	Financial Year Ended 30-Nov-22 RM'000
Interest income	504	1,433
Other income including investment income	218	457
Interest expense	(2,795)	(6,278)
Depreciation and amortization	(4,475)	(13,569)
Allowance for impairment and write off of receivables	(221)	(466)
Reversal of allowance of slow moving and write off of inventories	614	1,082
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	-	203
Fair value gain/(loss) on other investments	17	(22)
Realised foreign exchange gain	5,236	11,309
Unrealised foreign exchange loss	(2,222)	(1,794)
Gain on derivatives	-	4
Exceptional items	-	-

Date: 12 January 2023