

**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 2023**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/02/2023 RM'000	Preceding Year Corresponding Quarter 28/02/2022 RM'000	Current Year To Date 28/02/2023 RM'000	Preceding Year Corresponding Period 28/02/2022 RM'000
Revenue	197,740	257,152	1,038,345	751,479
Operating Expenses	(166,882)	(224,414)	(880,710)	(654,729)
Other Operating Income	2,999	1,191	7,494	6,891
Profit from Operations	33,857	33,929	165,129	103,641
Finance Cost	(2,847)	(1,879)	(9,918)	(6,723)
Share of profit/(loss) in associate company	181	(580)	577	(176)
Profit before taxation	31,191	31,470	155,788	96,742
Taxation	(8,498)	(10,575)	(41,031)	(24,989)
Profit for the period	22,693	20,895	114,757	71,753
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	(620)	(196)	(2,233)	1,571
Realisation of revaluation reserve upon depreciation of revalued asset	(231)	228	1,028	907
Transfer of revaluation reserve to unappropriated profit	231	(228)	(1,028)	(907)
Fair value loss on cash flow hedge	-	-	-	(7)
Total comprehensive income for the period	22,073	20,699	112,524	73,317
Profit for the period attributable to:				
Owners of the Company	22,693	20,895	114,757	71,753
Non-controlling interest	-	-	-	-
	22,693	20,895	114,757	71,753
Total comprehensive income for the period attributable to:				
Owners of the Company	22,073	20,699	112,524	73,317
Non-controlling interest	-	-	-	-
	22,073	20,699	112,524	73,317
Earnings per share				
(a) Basic earnings per ordinary share (sen)	2.76	2.69	13.97	9.23
(b) Diluted earnings per ordinary share (sen)	2.74	2.66	13.85	9.15

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 28 FEBRUARY 2023**

	28/02/2023	28/02/2022
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	339,835	321,198
Capital Work-in-progress	26	13,537
Investment Properties	13,950	11,800
Investment In An Associate Company	3,162	2,585
Other Investments	2,023	438
Goodwill on Acquisition	2,343	-
Deferred Tax Assets	3	3
	<u>361,342</u>	<u>349,561</u>
Current Assets		
Inventories	405,407	400,832
Trade and Other Receivables	178,480	229,067
Amount Due from An Associate Company	19,314	8,790
Fixed Deposits with Licensed Banks	2,734	2,693
Cash and Bank Balances	177,065	178,587
	<u>783,000</u>	<u>819,969</u>
TOTAL ASSETS	<u>1,144,342</u>	<u>1,169,530</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	263,417	258,892
Share Application Money	52	29
Treasury Shares	(9,156)	(7,591)
Revaluation Reserve	58,731	59,759
Other Reserves	10,673	13,170
Unappropriated Profits	496,365	429,911
TOTAL EQUITY	<u>820,082</u>	<u>754,170</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	21,368	32,504
Lease liabilities	11,074	9,280
Deferred Tax Liabilities	25,661	23,949
	<u>58,103</u>	<u>65,733</u>
Current Liabilities		
Trade and Other Payables	43,475	149,990
Short Term Borrowings	198,209	187,479
Derivative Financial Instruments	12	4
Lease liabilities	2,287	2,278
Tax Payable	9,820	1,679
Dividend Payable	12,354	8,197
	<u>266,157</u>	<u>349,627</u>
Total Liabilities	<u>324,260</u>	<u>415,360</u>
TOTAL EQUITY AND LIABILITIES	<u>1,144,342</u>	<u>1,169,530</u>
NET ASSETS PER SHARE (RM)	0.97	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 28 FEBRUARY 2023**

	GROUP 28/02/2023 RM'000	GROUP 28/02/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	155,788	96,742
Adjustments for:		
Allowance for/(reversal of) impairment of receivables (net)	2,272	(53)
(Reversal of)/ allowance for slow moving inventories (net)	(1,529)	282
Depreciation of property, plant and equipment	14,938	15,720
Depreciation of right-of-use assets	3,356	3,522
Interest expense	8,335	4,655
Bad debts written off	1	-
Interest expense on lease liabilities	671	685
Interest income	(2,270)	(1,573)
Dividend income	(78)	-
Gain on disposal of property, plant and equipment	(346)	(73)
Fair value (gain)/loss adjustment on investment properties	50	-
Fair value gain on other investments	(16)	(39)
Loss on fair value of derivatives financial instruments	8	3
Unrealised exchange loss/(gain) on foreign exchange	(724)	81
Other non-cash items	414	949
Operating profit before changes in working capital	180,870	120,901
Changes in working capital:-		
Inventories	(3,045)	(112,030)
Receivables	48,994	(123,402)
Payables	(110,308)	115,334
Associate company	(10,524)	15,132
Cash generated from operations	105,987	15,935
Tax paid (net)	(31,306)	(16,310)
Net cash generated from/(used in) operating activities	74,681	(375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	78	-
Acquisition of subsidiaries, net of cash acquired	(50)	-
Interest received	2,270	1,573
Purchase of property, plant and equipment	(11,263)	(7,699)
Payment for investment property	(94)	(5,500)
Proceeds from disposal of property, plant and equipment	525	218
Capital work-in-progress incurred	(957)	(4,161)
Placement of other investments	(1,568)	(399)
Net cash used in investing activities	(11,059)	(15,968)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(45,173)	(23,241)
Proceeds from issuance of share capital	3,614	39,141
Purchase of treasury shares	(1,565)	(5,819)
Interest paid	(8,777)	(5,340)
Share application money received	23	29
Repayment of lease liabilities	(1,825)	(3,231)
Drawdown of short-term borrowings	14,153	65,610
Drawdown of borrowings	1,100	7,173
Repayment of borrowings	(25,035)	(16,040)
Net cash (used in)/generated from financing activities	(63,485)	58,282



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2023 (CONTINUED)**

	GROUP 28/02/2023 RM'000	GROUP 28/02/2022 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	137	41,939
EFFECT OF EXCHANGE RATE CHANGES	(1,618)	1,625
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	181,280	137,716
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	179,799	181,280

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.



PANTECH GROUP HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2023

	← Attributable to Owners of the Company →									
	← 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	Total Equity 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	19,538	-	-	-	-	(3,817)	-	-	-	15,721
Issuance of shares pursuant to exercise of Warrants	29,042	-	-	(5,621)	-	-	-	-	-	23,421
Transfer of reserves upon expiry of Warrants	-	-	-	(1,673)	-	-	-	-	1,673	-
Share application money received	-	29	-	-	-	-	-	-	-	29
Acquisition of treasury shares	-	-	(5,819)	-	-	-	-	-	-	(5,819)
Share options granted under ESOS	-	-	-	-	-	762	-	-	-	762
Final dividend payable to Shareholders	-	-	-	-	-	-	-	-	(7,676)	(7,676)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	(3,852)	(3,852)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	(7,960)	(7,960)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	(8,196)	(8,196)
Total transactions with owners	48,580	29	(5,819)	(7,294)	-	(3,055)	-	-	(26,011)	6,430
Profit for the period	-	-	-	-	-	-	-	-	71,753	71,753
Other comprehensive income for the period	-	-	-	-	(907)	-	1,571	(7)	907	1,564
Total comprehensive income for the period	-	-	-	-	(907)	-	1,571	(7)	72,660	73,317
Balance as at 28 February 2022	258,892	29	(7,591)	-	59,759	1,894	11,276	-	429,911	754,170

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2023 (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 Equity RM'000
Balance as at 1 March 2022	258,892	29	(7,591)	59,759	1,894	11,276	429,911	754,170
Transactions with owners:								
Issuance of shares pursuant to exercise of ESOS	4,525	-	-	-	(911)	-	-	3,614
Share application money received	-	23	-	-	-	-	-	23
Acquisition of treasury shares	-	-	(1,565)	-	-	-	-	(1,565)
Share options granted under ESOS	-	-	-	-	647	-	-	647
Final dividend paid to Shareholders	-	-	-	-	-	-	(12,315)	(12,315)
First interim dividend paid to Shareholders	-	-	-	-	-	-	(12,317)	(12,317)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	(12,345)	(12,345)
Third interim dividend paid to Shareholders	-	-	-	-	-	-	(12,354)	(12,354)
Total transactions with owners	4,525	23	(1,565)	-	(264)	-	(49,331)	(46,612)
Profit for the period	-	-	-	-	-	-	114,757	114,757
Other comprehensive income for the period	-	-	-	(1,028)	-	(2,233)	1,028	(2,233)
Total comprehensive income for the period	-	-	-	(1,028)	-	(2,233)	115,785	112,524
Balance as at 28 February 2023	263,417	52	(9,156)	58,731	1,630	9,043	496,365	820,082

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) MFRS and Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 – Leases
- Amendments to MFRS 101 – Presentation of Financial Statements

(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 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.



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 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.

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 824,500,179 ordinary shares.

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

During the current financial year-to-date under review, 7,447,400 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
Second interim dividend in respect of financial year ended 28 February 2023, paid on 13 January 2023 Single tier dividend of 1.50 sen per ordinary share	12,345	
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	8,196	
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
	45,173	23,241

Subsequent to the financial year ended 28 February 2023, the Company had on 24 March 2023 paid a third interim single tier dividend of 1.50 sen per ordinary share in respect of financial year ended 28 February 2023, amounting to approximately RM12.37 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 2023					
Revenue					
External Revenue	512,244	526,101	-	-	1,038,345
Intersegment revenue	31,698	87,410	57,254	(176,362)	-
Total revenue	543,942	613,511	57,254	(176,362)	1,038,345
Segment Profit	51,433	110,740	54,862	(54,176)	162,859
Interest income					2,270
Finance costs					(9,918)
Share of profit in associate					577
Profit before tax					155,788

	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	411,496	339,983	-	-	751,479
Intersegment revenue	22,925	63,525	26,339	(112,789)	-
Total revenue	434,421	403,508	26,339	(112,789)	751,479
Segment Profit	50,519	54,801	25,316	(28,567)	102,069
Interest income					1,572
Finance costs					(6,723)
Share of loss in associate					(176)
Profit before tax					96,742

* PVF: Represents pipes, valves and fittings.



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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	1,181,864	833,425
Generated by overseas operation	32,843	30,843
	1,214,707	864,268
Inter-segments elimination	(176,362)	(112,789)
	1,038,345	751,479

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: -

	28 February 2023
	RM'000
Corporate guarantees	<u>692,756</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 28 February 2023 are as follows: -

28 February 2023
RM'000

Approved and contracted for

2,338



INTERIM FINANCIAL REPORT

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

B1 Review of Performance

	Revenue Current Quarter		Revenue 12 months to	
	28-Feb-23	28-Feb-22	28-Feb-23	28-Feb-22
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	93,472	158,381	512,244	411,496
Manufacturing	104,268	98,771	526,101	339,983
Investment and Management	-	-	-	-
Consolidated Total	197,740	257,152	1,038,345	751,479

	Profit Before Taxation Current Quarter		Profit Before Taxation 12 months to	
	28-Feb-23	28-Feb-22	28-Feb-23	28-Feb-22
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	6,799	12,154	49,982	45,467
Manufacturing	25,695	20,587	110,426	55,386
Investment and Management	(1,303)	(1,271)	(4,620)	(4,111)
Consolidated Total	31,191	31,470	155,788	96,742

Trading Division

For the current quarter ended 28 February 2023, the trading division recorded lower external revenue of RM93.47 million (Q4FY22: RM158.38 million) and lower segment profit before tax of RM6.80 million (Q4FY22: RM12.15 million), a decrease of approximately RM64.91 million (40.98%) and RM5.35 million (44.02%) respectively. The lower revenue and segment profit before tax for the current quarter was mainly due to slower delivery to local oil and gas projects during the current quarter.

For the 12 months ended 28 February 2023, the trading division recorded higher external revenue of RM512.24 million (12 months FY22: RM411.50 million) and higher segment profit before tax of RM49.98 million (12 months FY22: RM45.47 million), an increase of approximately RM100.74 million (24.48%) and RM4.51 million (9.92%) respectively. The higher revenue and segment profit before tax was contributed by large projects secured from the increased activities in the oil and gas sector during the financial year.



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

B1 Review of Performance (continued)

Manufacturing Division

For the current quarter ended 28 February 2023, the manufacturing division recorded higher external revenue of RM104.27 million (Q4FY22: RM98.77 million) and segment profit before tax of RM25.70 million (Q4FY22: RM20.59 million), an increase of approximately RM5.50 million (5.57%) and RM5.11 million (24.82%) respectively.

For the 12 months ended 28 February 2023, the manufacturing division recorded higher external revenue of RM526.10 million (12 months FY22: RM339.98 million) and segment profit before tax of RM110.43 million (12 months FY22: RM55.39 million), an increase of approximately RM186.12 million (54.74%) and RM55.04 million (99.37%) respectively.

The higher revenue and segment profit before tax for the current quarter and 12 months ended 28 February 2023 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 28 February 2023, the Group registered lower revenue of RM197.74 million (Q4FY22: RM257.15 million) and comparable profit before tax ("PBT") of RM31.19 million (Q4FY22: RM31.47 million). Despite the lower revenue contribution by trading division, the better manufacturing performance as explained above has contributed positively to the current quarter profit before tax.

For the 12 months ended 28 February 2023, the Group registered higher revenue of RM1.04 billion (12 months FY22: RM751.48 million) and profit before tax ("PBT") of RM155.79 million (12 months FY22: 96.74 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 lower revenue of RM197.74 million compared to the preceding quarter of RM299.94 million, and a lower profit after taxation ("PAT") of RM22.69 million compared to preceding quarter of RM34.66 million. The Group saw higher deliveries for large local oil and gas projects as well as higher export shipments in the preceding quarter.



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

B3 Prospects

The robust oil price is likely to bring positive impact to its related capital activities such as increase spending in facilities maintenance and upgrading activities in the oil and gas industry. This in turn will improve the demands for our products in both domestic and international market. The Group also believes China's recent reopening of its border would boost energy demand and impact positively on oil price.

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

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

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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 28-Feb-23 RM'000	Preceding Year Corresponding Quarter 28-Feb-22 RM'000	Current Year To Date 28-Feb-23 RM'000	Preceding Year Corresponding Period 28-Feb-22 RM'000
Current taxation	6,970	2,295	39,653	15,630
Under/(over) provision in prior year	0	91	(215)	118
Transferred (to)/from deferred tax assets	(264)	(51)	0	0
Transferred to/(from) deferred tax liabilities	1,858	8,307	1,858	9,507
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(67)	(265)	(266)
	8,498	10,575	41,031	24,989



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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 28 February 2023 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	12,903	21,368
- Bankers' acceptances, trust receipts and other short term loan	160,704	-
- Foreign currency loan	24,602	-
	<u>198,209</u>	<u>21,368</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	<u>5,621</u>	<u>24,602</u>

<u>Lease Liabilities</u>	Current RM'000	Non-current RM'000
Lease Liabilities	<u>2,287</u>	<u>11,074</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.



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

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 ending 28 February 2023 (Preceding year corresponding quarter: 1.50 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 6.0 sen single tier dividend per ordinary share (Preceding year corresponding period: 4.0 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
	28-Feb-23 RM'000	28-Feb-22 RM'000	28-Feb-23 RM'000	28-Feb-22 RM'000
Net profit attributable to owners of the Company	22,693	20,895	114,757	71,753
Weighted average number of ordinary share in issue ('000)	821,601	777,153	821,601	777,153
Basic earnings per ordinary share (sen)	2.76	2.69	13.97	9.23



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.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-23 RM'000	28-Feb-22 RM'000	28-Feb-23 RM'000	28-Feb-22 RM'000
Net profit attributable to owners of the Company:	22,693	20,895	114,757	71,753
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	821,601	777,153	821,601	777,153
Adjustment for dilutive effect on exercise of ESOS options ('000)	6,918	7,190	6,918	7,190
	828,519	784,343	828,519	784,343
Diluted earnings per ordinary share (sen)	2.74	2.66	13.85	9.15



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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 28-Feb-23 RM'000	Financial Year Ended 28-Feb-23 RM'000
Interest income	837	2,270
Other income including investment income	140	597
Interest expense	(2,728)	(9,006)
Depreciation and amortization	(4,725)	(18,294)
Allowance for impairment and write off of receivables	(1,806)	(2,272)
Reversal of allowance of slow moving and write off of inventories	447	1,529
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	143	346
Fair value gain on other investments	38	16
Fair value loss on investment properties	(50)	(50)
Realised foreign exchange (loss)/gain	(8,837)	2,472
Unrealised foreign exchange gain/(loss)	2,518	724
Loss on derivatives	(12)	(8)
Exceptional items	-	-

Date: 27th April 2023