



## INTERIM FINANCIAL REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MAY 2023

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2023 RM'000	Preceding Year Corresponding Quarter 31/05/2022 RM'000	Current Year To Date 31/05/2023 RM'000	Preceding Year Corresponding Period 31/05/2022 RM'000
<b>Revenue</b>	<b>244,768</b>	270,676	<b>244,768</b>	270,676
Operating Expenses	(207,082)	(234,505)	(207,082)	(234,505)
Other Operating Income	1,218	1,918	1,218	1,918
<b>Profit from Operations</b>	<b>38,904</b>	<b>38,089</b>	<b>38,904</b>	<b>38,089</b>
Finance Cost	(2,723)	(1,763)	(2,723)	(1,763)
Share of profit in associate company	70	128	70	128
<b>Profit before taxation</b>	<b>36,251</b>	<b>36,454</b>	<b>36,251</b>	<b>36,454</b>
Taxation	(9,267)	(10,050)	(9,267)	(10,050)
<b>Profit for the period</b>	<b>26,984</b>	<b>26,404</b>	<b>26,984</b>	<b>26,404</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	2,505	(1,011)	2,505	(1,011)
Realisation of revaluation reserve upon depreciation of revalued asset	225	809	225	809
Transfer of revaluation reserve to unappropriated profit	(225)	(809)	(225)	(809)
Total comprehensive income for the period	<b>29,489</b>	<b>25,393</b>	<b>29,489</b>	<b>25,393</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	26,984	26,404	26,984	26,404
Non-controlling interest	-	-	-	-
	<b>26,984</b>	<b>26,404</b>	<b>26,984</b>	<b>26,404</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	29,489	25,393	29,489	25,393
Non-controlling interest	-	-	-	-
	<b>29,489</b>	<b>25,393</b>	<b>29,489</b>	<b>25,393</b>
<b>Earnings per share</b>				
(a) Basic earnings per ordinary share (sen)	<b>3.27</b>	<b>3.22</b>	<b>3.27</b>	<b>3.22</b>
(b) Diluted earnings per ordinary share (sen)	<b>3.25</b>	<b>3.19</b>	<b>3.25</b>	<b>3.19</b>

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 2023 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 31 MAY 2023**

	31/05/2023	28/02/2023
	Unaudited	Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	341,371	343,862
Capital Work-in-progress	18	20
Investment Properties	11,750	11,750
Investment In An Associate Company	3,268	3,198
Other Investments	1,961	2,023
Goodwill on Acquisition	2,343	2,343
	<u>360,711</u>	<u>363,196</u>
<b>Current Assets</b>		
Inventories	414,031	405,441
Trade and Other Receivables	181,294	175,837
Amount Due from An Associate Company	42,843	19,314
Tax recoverable	49	10
Fixed Deposits with Licensed Banks	11,590	2,734
Cash and Bank Balances	162,097	177,291
	<u>811,904</u>	<u>780,627</u>
Non-current asset held for sale	2,200	2,200
<b>TOTAL ASSETS</b>	<u>1,174,815</u>	<u>1,146,023</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	264,599	263,417
Share Application Money	61	52
Treasury Shares	(9,156)	(9,156)
Revaluation Reserve	58,483	58,708
Other Reserves	13,240	10,887
Unappropriated Profits	524,494	497,285
<b>TOTAL EQUITY</b>	<u>851,721</u>	<u>821,193</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long Term Borrowings	22,062	21,349
Lease liabilities	10,779	11,074
Deferred Tax Liabilities	26,159	26,054
	<u>59,000</u>	<u>58,477</u>
<b>Current Liabilities</b>		
Trade and Other Payables	37,565	45,071
Short Term Borrowings	217,478	198,227
Derivative Financial Instruments	-	12
Lease liabilities	2,258	2,286
Tax Payable	6,793	8,390
Dividend Payable	-	12,367
	<u>264,094</u>	<u>266,353</u>
<b>Total Liabilities</b>	<u>323,094</u>	<u>324,830</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,174,815</u>	<u>1,146,023</u>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.01</b>	<b>0.97</b>

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 2023 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 31 MAY 2023

	<b>GROUP</b> <b>31/05/2023</b> <b>RM'000</b>	<b>GROUP</b> <b>31/05/2022</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>36,251</b>	36,454
Adjustments for:		
(Reversal of)/Allowance for impairment of receivables (net)	<b>(457)</b>	127
Allowance for/(reversal of) slow moving inventories (net)	<b>252</b>	(1,015)
Depreciation of property, plant and equipment	<b>4,185</b>	3,725
Depreciation of right-of-use assets	<b>839</b>	846
Interest expense	<b>2,908</b>	1,361
Interest expense on lease liabilities	<b>147</b>	150
Interest income	<b>(742)</b>	(451)
Dividend income	<b>(78)</b>	-
Gain on disposal of property, plant and equipment	<b>(1)</b>	(242)
Fair value loss on other investments	<b>69</b>	39
Gain on fair value of derivatives financial instruments	<b>(12)</b>	(4)
Unrealised exchange gain on foreign exchange	<b>(70)</b>	(1,743)
Other non-cash items	<b>17</b>	130
<b>Operating profit before changes in working capital</b>	<b>43,308</b>	39,377
Changes in working capital:-		
Inventories	<b>(8,841)</b>	65,513
Receivables	<b>(5,000)</b>	8,372
Payables	<b>(7,437)</b>	(80,018)
Associate company	<b>(23,529)</b>	753
<b>Cash generated from operations</b>	<b>(1,499)</b>	33,997
Tax paid (net)	<b>(10,815)</b>	(5,518)
<b>Net cash (used in)/generated from operating activities</b>	<b>(12,314)</b>	28,479
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	<b>78</b>	-
Acquisition of subsidiaries, net of cash acquired	<b>-</b>	119
Interest received	<b>742</b>	451
Purchase of property, plant and equipment	<b>(1,477)</b>	(933)
Payment for investment property	<b>-</b>	(225)
Proceeds from disposal of property, plant and equipment	<b>51</b>	259
Capital work-in-progress incurred	<b>(6)</b>	(238)
Placement of other investments	<b>(7)</b>	(585)
<b>Net cash used in investing activities</b>	<b>(619)</b>	(1,152)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(12,367)</b>	(8,197)
Proceeds from issuance of share capital	<b>945</b>	1,090
Interest paid	<b>(3,055)</b>	(1,531)
Share application money received	<b>10</b>	97
Repayment of lease liabilities	<b>(631)</b>	(825)
Drawdown of short-term borrowings	<b>20,427</b>	38,914
Drawdown of borrowings	<b>3,420</b>	-
Repayment of borrowings	<b>(3,883)</b>	(13,456)
<b>Net cash generated from financing activities</b>	<b>4,866</b>	16,092



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**INTERIM FINANCIAL REPORT**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MAY 2023 (CONTINUED)**

	<b>GROUP 31/05/2023 RM'000</b>	<b>GROUP 31/05/2022 RM'000</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,067)</b>	43,419
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>1,729</b>	(422)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>180,025</b>	181,280
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>173,687</u></b>	<b><u>224,277</u></b>

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 2023 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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2023**

	← 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
<b>Balance as at 1 March 2022</b>	258,892	29	(7,591)	59,759	1,894	11,276	429,911	754,170
<b>Transactions with owners:</b>								
Issuance of shares pursuant to exercise of ESOS	1,364	-	-	-	(274)	-	-	1,090
Share application money received	-	97	-	-	-	-	-	97
Share options granted under ESOS	-	-	-	-	255	-	-	255
<b>Total transactions with owners</b>	<b>1,364</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>1,442</b>
Profit for the period	-	-	-	-	-	-	26,404	26,404
Other comprehensive income for the period	-	-	-	(353)	-	(1,011)	809	(555)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(353)</b>	<b>-</b>	<b>(1,011)</b>	<b>27,213</b>	<b>25,849</b>
<b>Balance as at 31 May 2022</b>	<b>260,256</b>	<b>126</b>	<b>(7,591)</b>	<b>59,406</b>	<b>1,875</b>	<b>10,265</b>	<b>457,124</b>	<b>781,461</b>

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 2023 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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 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
<b>Balance as at 1 March 2023</b>	263,417	52	(9,156)	58,708	1,630	9,257	497,285	821,193
<b>Transactions with owners:</b>								
Issuance of shares pursuant to exercise of ESOS	1,182	-	-	-	(237)	-	-	945
Share application money received	-	9	-	-	-	-	-	9
Share options granted under ESOS	-	-	-	-	85	-	-	85
<b>Total transactions with owners</b>	<b>1,182</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>(152)</b>	<b>-</b>	<b>-</b>	<b>1,039</b>
Profit for the period	-	-	-	-	-	-	26,984	26,984
Other comprehensive income for the period	-	-	-	(225)	-	2,505	225	2,505
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(225)</b>	<b>-</b>	<b>2,505</b>	<b>27,209</b>	<b>29,489</b>
<b>Balance as at 31 May 2023</b>	<b>264,599</b>	<b>61</b>	<b>(9,156)</b>	<b>58,483</b>	<b>1,478</b>	<b>11,762</b>	<b>524,494</b>	<b>851,721</b>

*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 2023 and the accompanying explanatory notes attached to the interim financial reports*



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## INTERIM FINANCIAL REPORT

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### A. EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1 Basis of Preparation

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

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

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2023. 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 2023.

#### 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 2023, 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 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*



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## INTERIM FINANCIAL REPORT

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**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 period beginning on or after 1 January 2024**

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

**(iii) Amendments effective for date yet to be confirmed**

- Amendments to MFRS 10 – *Combined 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 2023 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.





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## INTERIM FINANCIAL REPORT

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### 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

There is no repurchase of ordinary share of its issued share capital during the current financial year-to-date under review.

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

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 826,526,229 ordinary shares.

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

During the current financial year-to-date under review, 2,026,050 number of ordinary shares were issued under the Company's ESOS.

#### A8 Dividend Paid

	<b>Current Year To-date RM'000</b>	Preceding Year Corresponding Period RM'000
<b>Third interim dividend in respect of financial year ended 28 February 2023, paid on 24 Mar 2023</b> Single tier dividend of 1.5 sen per ordinary share	<b>12,367</b>	
<b>Third interim dividend in respect of financial year ended 28 February 2022, paid on 25 Mar 2022</b> Single tier dividend of 1.0 sen per ordinary share		8,197
	<b>12,367</b>	<b>8,197</b>



## 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.

	<b>Trading of PVF products  RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings, galvanising  RM'000</b>	<b>Investment and Management  RM'000</b>	<b>Elimination  RM'000</b>	<b>Total  RM'000</b>
<b>Period Ended 31 May 2023</b>					
<b>Revenue</b>					
External Revenue	140,253	104,515	-	-	244,768
Intersegment revenue	8,357	25,228	867	(34,452)	-
<b>Total revenue</b>	<b>148,610</b>	<b>129,743</b>	<b>867</b>	<b>(34,452)</b>	<b>244,768</b>
<b>Segment Profit</b>	<b>15,918</b>	<b>21,966</b>	<b>510</b>	<b>(232)</b>	<b>38,162</b>
Interest income					742
Finance costs					(2,723)
Share of profit in associate					70
<b>Profit before tax</b>					<b>36,251</b>

	<b>Trading of PVF products  RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings, galvanising  RM'000</b>	<b>Investment and Management  RM'000</b>	<b>Elimination  RM'000</b>	<b>Total  RM'000</b>
<b>Period Ended 31 May 2022</b>					
<b>Revenue</b>					
External Revenue	120,693	149,983	-	-	270,676
Intersegment revenue	9,187	17,350	928	(27,565)	-
<b>Total revenue</b>	<b>129,880</b>	<b>167,333</b>	<b>928</b>	<b>(27,465)</b>	<b>270,676</b>
<b>Segment Profit</b>	<b>14,684</b>	<b>23,362</b>	<b>225</b>	<b>(633)</b>	<b>37,638</b>
Interest income					451
Finance costs					(1,763)
Share of profit in associate					128
<b>Profit before tax</b>					<b>36,454</b>

\* PVF: Represents pipes, valves and fittings.



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## INTERIM FINANCIAL REPORT

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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	
	-- 3 months ended 31 May 2023 --	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	267,925	285,148
Generated by overseas operation	11,295	12,993
	279,220	298,141
Inter-segments elimination	(34,452)	(27,465)
	244,768	270,676

**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 2023.

**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: -

	<b>31 May 2023</b>
	<b>RM'000</b>
Corporate guarantees	<u>701,649</u> *

\* Represents the total limit of Pantech's corporate guarantee



## **INTERIM FINANCIAL REPORT**

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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 31 May 2023 are as follows: -

	<b>31 May 2023</b>
	<b>RM'000</b>
Approved and contracted for	<u>4,736</u>



## INTERIM FINANCIAL REPORT

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

**B1 Review of Performance**

<b>Business Segment</b>	<b>Revenue Current Quarter</b>		<b>Revenue 3 months to</b>	
	<b>31-May-23</b>	<b>31-May-22</b>	<b>31-May-23</b>	<b>31-May-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	140,253	120,693	140,253	120,693
Manufacturing	104,515	149,983	104,515	149,983
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	<b>244,768</b>	<b>270,676</b>	<b>244,768</b>	<b>270,676</b>

<b>Business Segment</b>	<b>Profit Before Taxation Current Quarter</b>		<b>Profit Before Taxation 3 months to</b>	
	<b>31-May-23</b>	<b>31-May-22</b>	<b>31-May-23</b>	<b>31-May-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	15,254	14,583	15,254	14,583
Manufacturing	21,912	23,140	21,912	23,140
Investment and Management	(915)	(1,269)	(915)	(1,269)
<b>Consolidated Total</b>	<b>36,251</b>	<b>36,454</b>	<b>36,251</b>	<b>36,454</b>

**Trading Division**

For the current quarter and 3 months ended 31 May 2023, the trading division recorded higher external revenue of RM140.25 million (Q1FY23: RM120.69 million) and segment profit before tax of RM15.25 million (Q1FY23: RM14.58 million), an increase of approximately RM19.56 million (16.21%) and RM0.67 million (4.60%) respectively.

The higher revenue and segment profit before tax for the current quarter and 3 months ended 31 May 2023 was mainly due to higher deliveries to local oil and gas projects.

**Manufacturing Division**

For the current quarter and 3 months ended 31 May 2023, the manufacturing division recorded lower external revenue of RM104.52 million (Q1FY23: RM149.98 million) and segment profit before tax of RM21.91 million (Q1FY23: RM23.14 million), a decrease of approximately RM45.46 million (30.31%) and RM1.23 million (5.32%) respectively.



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## INTERIM FINANCIAL REPORT

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

**B1 Review of Performance (continued)**  
**Manufacturing Division (continued)**

The lower revenue and segment profit before tax for the current quarter and 3 months ended 31 May 2023 was mainly due to softer sales demand from the export market.

**Investment and Management Division**

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

**Group Performance**

For the current quarter and 3 months ended 31 May 2023, the Group registered lower revenue of RM244.77 million (Q1FY23: RM270.68 million) and comparable profit before tax ("PBT") of RM36.25 million (Q1FY23: RM36.45 million). The lower revenue was mainly due to softer sales demand from export market in manufacturing division.

**B2 Variation of Results against Preceding Quarter**

In the current quarter under review, the Group reported a higher revenue of RM244.77 million compared to the preceding quarter of RM197.23 million, and a higher profit after taxation ("PAT") of RM26.98 million compared to preceding quarter of RM23.57 million. The group achieve higher sales and PAT mainly due to higher deliveries to local oil and gas sector and better product mix.

**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 demand for our products in both domestic and international markets.

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 growth 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 current financial year in view of improving economic activities and rising oil and gas prices.



## INTERIM FINANCIAL REPORT

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

#### 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 31-May-23 RM'000	Preceding Year Corresponding Quarter 31-May-22 RM'000	Current Year To Date 31-May-23 RM'000	Preceding Year Corresponding Period 31-May-22 RM'000
Current taxation	9,180	9,797	9,180	9,797
Transferred from deferred tax assets	-	319	-	319
Transferred to deferred tax liabilities	153	-	153	-
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(66)	(66)	(66)
	<u>9,267</u>	<u>10,050</u>	<u>9,267</u>	<u>10,050</u>

Tax expense for the current quarter and financial year-to-date ended 31 May 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.



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## INTERIM FINANCIAL REPORT

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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: -

<b><u>Borrowings</u></b>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
<b><u>Unsecured: -</u></b>		
- Term loans	11,745	22,062
- Bankers' acceptances, trust receipts and other short term loan	188,536	-
- Foreign currency loan	17,197	-
	<u>217,478</u>	<u>22,062</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	<u>3,802</u>	<u>17,197</u>

<b><u>Lease Liabilities</u></b>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Lease Liabilities	<u>2,258</u>	<u>10,779</u>

**B8 Material Litigation**

There are no pending material litigations as at the date of this quarterly report that has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially affect the position or business of the Group.

**B9 Dividends**

The Board of Directors has approved and declared a first interim single tier dividend of 1.50 sen per ordinary share in respect of the financial year ending 29 February 2024 (Preceding year corresponding quarter: 1.50 sen). The first interim dividend will be paid on 20 October 2023 to shareholders whose name appear on the Company's Record of Depositors on 29 September 2023.

The total dividend per share for the current financial year is 1.50 sen single tier dividend per ordinary share (Preceding year corresponding period: 1.50 sen).





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## INTERIM FINANCIAL REPORT

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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
	<b>31-May-23</b>	31-May-22	<b>31-May-23</b>	31-May-22
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Net profit attributable to owners of the Company	<b>26,984</b>	26,404	<b>26,984</b>	26,404
Weighted average number of ordinary share in issue ('000)	<b>825,794</b>	820,821	<b>825,794</b>	820,821
<b>Basic earnings per ordinary share (sen)</b>	<b>3.27</b>	3.22	<b>3.27</b>	3.22

**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.



## 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 (continued)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-23 RM'000	Preceding Year Corresponding Quarter 31-May-22 RM'000	Current Year To Date 31-May-23 RM'000	Preceding Year Corresponding Period 31-May-22 RM'000
<b>Net profit attributable to owners of the Company:</b>	<b>26,984</b>	26,404	<b>26,984</b>	26,404
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	<b>825,794</b>	820,821	<b>825,794</b>	820,821
Adjustment for dilutive effect on exercise of ESOS options ('000)	<b>5,324</b>	6,714	<b>5,324</b>	6,714
	<b>831,118</b>	827,535	<b>831,118</b>	827,535
<b>Diluted earnings per ordinary share (sen)</b>	<b>3.25</b>	3.19	<b>3.25</b>	3.19

**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.



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## INTERIM FINANCIAL REPORT

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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**

	<b>Quarter Ended 31-May-23 RM'000</b>	<b>Financial Year Ended 31-May-23 RM'000</b>
Interest income	742	742
Other income including investment income	241	241
Interest expense	(3,055)	(3,055)
Depreciation and amortization	(5,024)	(5,024)
Reversal of allowance for impairment and write off of receivables	457	457
Allowance of slow moving and write off of inventories	(252)	(252)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain on disposal of property, plant and equipment	1	1
Fair value loss on other investments	(69)	(69)
Realised foreign exchange gain	3,466	3,466
Unrealised foreign exchange gain	70	70
Gain on derivatives	12	12
Exceptional items	-	-

**Date: 26 July 2023**