



## INTERIM FINANCIAL REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 NOVEMBER 2023

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2023 RM'000	Preceding Year Corresponding Quarter 30/11/2022 RM'000	Current Year To Date 30/11/2023 RM'000	Preceding Year Corresponding Period 30/11/2022 RM'000
<b>Revenue</b>	<b>221,439</b>	299,943	<b>716,591</b>	840,605
Operating Expenses	(193,303)	(251,050)	(611,857)	(713,828)
Other Operating Income	2,049	759	4,612	4,495
<b>Profit from Operations</b>	<b>30,185</b>	<b>49,652</b>	<b>109,346</b>	<b>131,272</b>
Finance Cost	(3,071)	(3,052)	(8,925)	(7,072)
Share of profit in associate company	84	94	261	396
<b>Profit before taxation</b>	<b>27,198</b>	<b>46,694</b>	<b>100,682</b>	<b>124,596</b>
Taxation	(6,047)	(12,032)	(24,128)	(32,533)
<b>Profit for the period</b>	<b>21,151</b>	<b>34,662</b>	<b>76,554</b>	<b>92,063</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	(278)	46	3,714	(1,613)
Realisation of revaluation reserve upon depreciation of revalued asset	226	225	678	1,259
Transfer of revaluation reserve to unappropriated profit	(226)	(225)	(678)	(1,259)
Total comprehensive income for the period	<b>20,873</b>	<b>34,708</b>	<b>80,268</b>	<b>90,450</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	21,151	34,662	76,554	92,063
Non-controlling interest	-	-	-	-
	<b>21,151</b>	<b>34,662</b>	<b>76,554</b>	<b>92,063</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	20,873	34,708	80,268	90,450
Non-controlling interest	-	-	-	-
	<b>20,873</b>	<b>34,708</b>	<b>80,268</b>	<b>90,450</b>
<b>Earnings per share</b>				
(a) Basic earnings per ordinary share (sen)	<b>2.55</b>	<b>4.22</b>	<b>9.25</b>	<b>11.21</b>
(b) Diluted earnings per ordinary share (sen)	<b>2.54</b>	<b>4.19</b>	<b>9.20</b>	<b>11.13</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 30 NOVEMBER 2023**

	30/11/2023 Unaudited	28/02/2023 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	337,933	343,862
Capital Work-in-progress	397	20
Investment Properties	11,750	11,750
Investment In An Associate Company	3,459	3,198
Other Investments	2,565	2,023
Goodwill on Acquisition	2,343	2,343
	<u>358,447</u>	<u>363,196</u>
<b>Current Assets</b>		
Inventories	389,945	405,441
Trade and Other Receivables	174,702	175,837
Amount Due from An Associate Company	32,704	19,314
Tax recoverable	2,288	10
Fixed Deposits with Licensed Banks	11,982	2,734
Cash and Bank Balances	225,175	177,291
	<u>836,796</u>	<u>780,627</u>
Non-current asset held for sale	-	2,200
<b>TOTAL ASSETS</b>	<u>1,195,243</u>	<u>1,146,023</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	267,981	263,417
Share Application Money	40	52
Treasury Shares	(10,241)	(9,156)
Revaluation Reserve	58,030	58,708
Other Reserves	13,912	10,887
Unappropriated Profits	537,169	497,285
<b>TOTAL EQUITY</b>	<u>866,891</u>	<u>821,193</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long Term Borrowings	19,675	21,349
Lease liabilities	11,054	11,074
Deferred Tax Liabilities	25,636	26,054
	<u>56,365</u>	<u>58,477</u>
<b>Current Liabilities</b>		
Trade and Other Payables	45,673	45,071
Short Term Borrowings	204,411	198,227
Amount Due to An Associate Company	80	-
Derivative Financial Instruments	-	12
Lease liabilities	2,479	2,286
Tax Payable	6,887	8,390
Dividend Payable	12,457	12,367
	<u>271,987</u>	<u>266,353</u>
<b>Total Liabilities</b>	<u>328,352</u>	<u>324,830</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,195,243</u>	<u>1,146,023</u>
<b>NET ASSETS PER SHARE (RM)</b>	<b>1.02</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 30 NOVEMBER 2023

	<b>GROUP</b> <b>30/11/2023</b> <b>RM'000</b>	<b>GROUP</b> <b>30/11/2022</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>100,682</b>	124,596
Adjustments for:		
Allowance for impairment of receivables (net)	<b>886</b>	466
Allowance for/(reversal of) slow moving inventories (net)	<b>506</b>	(1,082)
Depreciation of property, plant and equipment	<b>12,696</b>	11,144
Depreciation of right-of-use assets	<b>2,434</b>	2,425
Interest expense	<b>7,705</b>	5,787
Bad debts written off	<b>157</b>	-
Interest expense on lease liabilities	<b>428</b>	491
Interest income	<b>(3,123)</b>	(1,433)
Dividend income	<b>(154)</b>	(78)
Gain on disposal of non-current asset held for sale	<b>(80)</b>	-
Gain on disposal of property, plant and equipment	<b>(180)</b>	(203)
Fair value loss on other investments	<b>8</b>	22
Gain on fair value of derivatives financial instruments	<b>(12)</b>	(4)
Unrealised exchange loss on foreign exchange	<b>487</b>	1,794
Other non-cash items	<b>(7)</b>	484
<b>Operating profit before changes in working capital</b>	<b>122,433</b>	144,409
Changes in working capital:-		
Inventories	<b>14,990</b>	(24,525)
Receivables	<b>91</b>	25,599
Payables	<b>113</b>	(82,008)
Associate company	<b>(13,310)</b>	(24,729)
<b>Cash generated from operations</b>	<b>124,317</b>	38,746
Tax paid (net)	<b>(28,352)</b>	(12,676)
<b>Net cash generated from operating activities</b>	<b>95,965</b>	26,070
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	<b>154</b>	78
Acquisition of subsidiaries, net of cash acquired	<b>-</b>	(50)
Interest received	<b>3,123</b>	1,433
Purchase of property, plant and equipment	<b>(6,096)</b>	(4,038)
Payment for investment property	<b>-</b>	(234)
Proceeds from disposal of property, plant and equipment	<b>288</b>	375
Proceeds from disposal of non-current asset held for sale	<b>2,280</b>	-
Capital work-in-progress incurred	<b>(385)</b>	(545)
Placement of other investments	<b>(550)</b>	(863)
<b>Net cash used in investing activities</b>	<b>(1,186)</b>	(3,844)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(37,257)</b>	(32,830)
Proceeds from issuance of share capital	<b>3,630</b>	2,143
Purchase of treasury shares	<b>(1,085)</b>	(1,565)
Interest paid	<b>(8,133)</b>	(6,123)
Share application money	<b>(12)</b>	1
Repayment of lease liabilities	<b>(1,898)</b>	(1,922)
Drawdown of short-term borrowings	<b>9,203</b>	106,385
Drawdown of borrowings	<b>6,220</b>	1,100
Repayment of borrowings	<b>(10,913)</b>	(21,151)
<b>Net cash (used in)/generated from financing activities</b>	<b>(40,245)</b>	46,038



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**INTERIM FINANCIAL REPORT**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 NOVEMBER 2023 (CONTINUED)**

	<b>GROUP 30/11/2023 RM'000</b>	<b>GROUP 30/11/2022 RM'000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>54,534</b>	68,264
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>2,598</b>	(793)
<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>237,157</b>	248,751

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 30 NOVEMBER 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	2,682	-	-	-	(539)	-	-	2,143
Share application money received	-	1	-	-	-	-	-	1
Acquisition of treasury shares	-	-	(1,565)	-	-	-	-	(1,565)
Share options granted under ESOS	-	-	-	-	537	-	-	537
Final dividend paid to Shareholders	-	-	-	-	-	-	(12,315)	(12,315)
First interim dividend paid to Shareholders	-	-	-	-	-	-	(12,317)	(12,317)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	(12,319)	(12,319)
<b>Total transactions with owners</b>	<b>2,682</b>	<b>1</b>	<b>(1,565)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(36,951)</b>	<b>(35,835)</b>
Profit for the period	-	-	-	-	-	-	92,063	92,063
Other comprehensive income for the period	-	-	-	(803)	-	(1,613)	1,259	(1,157)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(803)</b>	<b>-</b>	<b>(1,613)</b>	<b>93,322</b>	<b>90,906</b>
<b>Balance as at 30 November 2022</b>	<b>261,574</b>	<b>30</b>	<b>(9,156)</b>	<b>58,956</b>	<b>1,892</b>	<b>9,663</b>	<b>486,282</b>	<b>809,241</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 30 NOVEMBER 2023 (continued)**

	← Attributable to Owners of the Company →							Total RM'000	Total Equity RM'000
	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		
<b>Balance as at 1 March 2023</b>	263,417	52	(9,156)	58,708	1,630	9,257	497,285	821,193	821,193
<b>Transactions with owners:</b>									
Issuance of shares pursuant to exercise of ESOS	4,564	-	-	-	(934)	-	-	3,630	3,630
Share application money	-	(12)	-	-	-	-	-	(12)	(12)
Acquisition of treasury shares	-	-	(1,085)	-	-	-	-	(1,085)	(1,085)
Share options granted under ESOS	-	-	-	-	245	-	-	245	245
Final dividend paid to Shareholders	-	-	-	-	-	-	(12,438)	(12,438)	(12,438)
First interim dividend paid to Shareholders	-	-	-	-	-	-	(12,452)	(12,452)	(12,452)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	(12,458)	(12,458)	(12,458)
<b>Total transactions with owners</b>	<b>4,564</b>	<b>(12)</b>	<b>(1,085)</b>	<b>-</b>	<b>(689)</b>	<b>-</b>	<b>(37,348)</b>	<b>(34,570)</b>	<b>(34,570)</b>
Profit for the period	-	-	-	-	-	-	76,554	76,554	76,554
Other comprehensive income for the period	-	-	-	(678)	-	3,714	678	3,714	3,714
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(678)</b>	<b>-</b>	<b>3,714</b>	<b>77,232</b>	<b>80,268</b>	<b>80,268</b>
<b>Balance as at 30 November 2023</b>	<b>267,981</b>	<b>40</b>	<b>(10,241)</b>	<b>58,030</b>	<b>941</b>	<b>12,971</b>	<b>537,169</b>	<b>866,891</b>	<b>866,891</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) Amendments effective for period beginning on or after 1 January 2024

- Amendments to MFRS 7 – *Financial Instruments Disclosures*
- Amendments to MFRS 16 – *Leases*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 107 – *Statement of Cash Flows*



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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 2025**

- Amendments to MFRS 121 – *The Effects of Changes in Foreign Exchange Rates*

**(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 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.





## **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**

During the current financial year-to-date under review, the company has purchased 1,345,000 ordinary share or 0.16% of its issued share capital from the open market at the average price paid of RM0.81 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 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 830,713,229 ordinary shares.

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

During the current financial year-to-date under review, 7,558,050 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

	<b>Current Year To-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
<b>First interim dividend in respect of financial year ended 29 February 2024, paid on 20 October 2023</b> Single tier dividend of 1.50 sen per ordinary share	<b>12,452</b>	
<b>Final single tier dividend in respect of financial year ended 28 February 2023, paid on 15 September 2023</b> Single tier dividend of 1.50 sen per ordinary share	<b>12,438</b>	
<b>Third interim dividend in respect of financial year ended 28 February 2023, paid on 24 March 2023</b> Single tier dividend of 1.50 sen per ordinary share	<b>12,367</b>	
<b>First interim dividend in respect of financial year ended 28 February 2023, paid on 21 October 2022</b> Single tier dividend of 1.50 sen per ordinary share		12,317
<b>Final single tier dividend in respect of financial year ended 28 February 2022, paid on 9 September 2022</b> Single tier dividend of 1.50 sen per ordinary share		12,315
<b>Third interim dividend in respect of financial year ended 28 February 2022, paid on 25 Mar 2022</b> Single tier dividend of 1.00 sen per ordinary share		8,198
	<b>37,257</b>	<b>32,830</b>

Subsequent to the interim financial period ended 30 November 2023, the Company had on 12 January 2024 distributed a second interim single tier dividend of 1.50 sen per ordinary share in respect of financial year ended 29 February 2024, amounting to approximately RM12.46 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
<b>Period Ended 30 November 2023</b>					
<b>Revenue</b>					
External Revenue	389,689	326,902	-	-	716,591
Intersegment revenue	21,418	63,985	28,531	(113,934)	-
<b>Total revenue</b>	<b>411,107</b>	<b>390,887</b>	<b>28,531</b>	<b>(113,934)</b>	<b>716,591</b>
<b>Segment Profit</b>	42,502	62,745	27,443	(26,467)	106,223
Interest income					3,123
Finance costs					(8,925)
Share of profit in associate					261
<b>Profit before tax</b>					<b>100,682</b>
<b>Period Ended 30 November 2022</b>					
<b>Revenue</b>					
External Revenue	418,773	421,832	-	-	840,605
Intersegment revenue	24,983	70,313	28,712	(124,008)	-
<b>Total revenue</b>	<b>443,756</b>	<b>492,145</b>	<b>28,712</b>	<b>(124,008)</b>	<b>840,605</b>
<b>Segment Profit</b>	44,261	85,416	27,058	(26,896)	129,839
Interest income					1,433
Finance costs					(7,072)
Share of profit in associate					396
<b>Profit before tax</b>					<b>124,596</b>

\* 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	
	-- 9 months ended 30 November 2023 -- Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	797,021	936,433
Generated by overseas operation	33,504	28,180
	830,525	964,613
Inter-segments elimination	(113,934)	(124,008)
	716,591	840,605

#### 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>30 November 2023</b>
	<b>RM'000</b>
Corporate guarantees	<u>702,185</u> *

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



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## 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 30 November 2023 are as follows: -

	<b>30 November 2023</b>
	<b>RM'000</b>
Approved and contracted for	<u>14,238</u>



## INTERIM FINANCIAL REPORT

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

#### B1 Review of Performance

	Revenue Current Quarter		Revenue 9 months to	
	30-Nov-23	30-Nov-22	30-Nov-23	30-Nov-22
	RM'000	RM'000	RM'000	RM'000
<b>Business Segment</b>				
Trading	109,668	166,609	389,689	418,773
Manufacturing	111,771	133,334	326,902	421,832
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	221,439	299,943	716,591	840,605

	Profit Before Taxation Current Quarter		Profit Before Taxation 9 months to	
	30-Nov-23	30-Nov-22	30-Nov-23	30-Nov-22
	RM'000	RM'000	RM'000	RM'000
<b>Business Segment</b>				
Trading	9,023	13,957	40,621	43,183
Manufacturing	18,981	33,672	62,741	84,730
Investment and Management	(806)	(935)	(2,680)	(3,317)
<b>Consolidated Total</b>	27,198	46,694	100,682	124,596

#### Trading Division

For the current quarter ended 30 November 2023, the trading division recorded lower external revenue of RM109.67 million (Q3FY23: RM166.61 million) and segment profit before tax of RM9.02 million (Q3FY23: RM13.96 million), a decrease of approximately RM56.94 million (34.18%) and RM4.94 million (35.39%) respectively.

For the 9 months ended 30 November 2023, the trading division recorded lower external revenue of RM389.69 million (9 months FY23: RM418.77 million) and segment profit before tax of RM40.62 million (9 months FY23: RM43.18 million), a decrease of approximately RM29.08 million (6.94%) and RM2.56 million (5.93%) respectively.

The lower revenue and segment profit before tax for the current quarter and 9 months ended 30 November 2023 was mainly due to softer sales demand from local oil and gas industries compare to higher delivery to local oil and gas projects in previous period.



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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**

For the current quarter ended 30 November 2023, the manufacturing division recorded lower external revenue of RM111.77 million (Q3FY23: RM133.33 million) and segment profit before tax of RM18.98 million (Q3FY23: RM33.67 million), a decrease of approximately RM21.56 million (16.17%) and RM14.69 million (43.63%) respectively.

For the 9 months ended 30 November 2023, the manufacturing division recorded lower external revenue of RM326.90 million (9 months FY23: RM421.83 million) and segment profit before tax of RM62.74 million (9 months FY23: RM84.73 million), a decrease of approximately RM94.93 million (22.50%) and RM21.99 million (25.95%) respectively.

The lower revenue and segment profit before tax for the current quarter and 9 months ended 30 November 2023 was mainly due to lower demand for stainless steel products and lower average selling prices. However, we expect the market demand to gradually improve in the next financial year.

**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 2023, the Group registered lower revenue of RM221.44 million (Q3FY23: RM299.94 million) and profit before tax ("PBT") of RM27.20 million (Q3FY23: RM46.99 million).

For the 9 months ended 30 November 2023, the Group registered lower revenue of RM716.60 million (9 months FY23: RM840.61 million) and profit before tax ("PBT") of RM100.68 million (9 months FY23: RM124.60 million).

The lower revenue and profit before tax was mainly due to softer sales demand in both trading and manufacturing divisions.

**B2 Variation of Results against Preceding Quarter**

In the current quarter under review, the Group reported a lower revenue of RM221.44 million compared to the preceding quarter of RM250.38 million, and a lower profit after taxation ("PAT") of RM21.15 million compared to preceding quarter of RM28.42 million. The decrease in revenue and PAT was mainly due to the decrease in sales demand and product mix changes for trading division.



## **INTERIM FINANCIAL REPORT**

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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. Projects earmarked are expected to begin implementation in next financial year and the Group will actively participate in international trade exhibitions. 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, high interest rate and 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.

**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.





## INTERIM FINANCIAL REPORT

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

#### B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Nov-23 RM'000	Preceding Year Corresponding Quarter 30-Nov-22 RM'000	Current Year To Date 30-Nov-23 RM'000	Preceding Year Corresponding Period 30-Nov-22 RM'000
Current taxation	6,705	12,231	24,783	32,683
Over provision of tax	(212)	(215)	(212)	(215)
Transferred from deferred tax assets	-	82	-	264
Transferred (from) deferred tax liabilities	(380)	-	(244)	-
Crystallization of deferred taxation upon depreciation of revalued assets	(66)	(66)	(199)	(199)
	<u>6,047</u>	<u>12,032</u>	<u>24,128</u>	<u>32,533</u>

Tax expense for the current quarter and financial year-to-date ended 30 November 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 the same as the statutory rate.

#### 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: -

<u>Borrowings</u>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
<u>Unsecured: -</u>		
- Term loans	9,902	19,675
- Bankers' acceptances, trust receipts and other short term loan	163,064	-
- Foreign currency loan	31,445	-
	<u>204,411</u>	<u>19,675</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	<u>6,708</u>	<u>31,445</u>

<u>Lease Liabilities</u>	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Lease Liabilities	<u>2,479</u>	<u>11,054</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 third 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 third interim dividend will be paid on 26 March 2024 to shareholders whose name appear on the Company's Record of Depositors on 29 February 2024.

The total dividend per share for the current financial year is 4.50 sen single tier dividend per ordinary share (Preceding year corresponding period: 4.50 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
	30-Nov-23 RM'000	30-Nov-22 RM'000	30-Nov-23 RM'000	30-Nov-22 RM'000
Net profit attributable to owners of the Company	21,151	34,662	76,554	92,063
Weighted average number of ordinary share in issue ('000)	827,845	820,916	827,845	820,916
<b>Basic earnings per ordinary share (sen)</b>	<b>2.55</b>	<b>4.22</b>	<b>9.25</b>	<b>11.21</b>

**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 30-Nov-23 RM'000	Preceding Year Corresponding Quarter 30-Nov-22 RM'000	Current Year To Date 30-Nov-23 RM'000	Preceding Year Corresponding Period 30-Nov-22 RM'000
<b>Net profit attributable to owners of the Company:</b>	<b>21,151</b>	34,662	<b>76,554</b>	92,063
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	<b>827,845</b>	820,916	<b>827,845</b>	820,916
Adjustment for dilutive effect on exercise of ESOS options ('000)	<b>4,151</b>	6,130	<b>4,151</b>	6,130
	<b>831,996</b>	827,046	<b>831,996</b>	827,046
<b>Diluted earnings per ordinary share (sen)</b>	<b>2.54</b>	4.19	<b>9.20</b>	11.13

**B11 Share Buy Back**

As at end of current quarter, a total of 20,031,293 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 RM0.51 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 30-Nov-23 RM'000</b>	<b>Financial Year Ended 30-Nov-23 RM'000</b>
Interest income	1,172	3,123
Other income including investment income	239	643
Interest expense	(2,217)	(8,133)
Depreciation and amortization	(4,948)	(15,130)
Allowance for impairment and write-off of receivables	(1,409)	(1,043)
Allowance of slow moving and write-off of inventories	(232)	(506)
Gain on disposal of quoted or unquoted investment or properties	80	80
Gain on disposal of property, plant and equipment	154	180
Fair value loss on other investments	(55)	(8)
Realised foreign exchange gain	2,220	8,553
Unrealised foreign exchange gain/(loss)	5	(487)
Gain on derivatives	-	12
Exceptional items	-	-

**Date: 18 January 2024**