



DUFU TECHNOLOGY CORP. BERHAD

Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	86,329	79,501	86,329	79,501
Cost of sales	(56,909)	(50,012)	(56,909)	(50,012)
Gross profit	29,420	29,489	29,420	29,489
Other operating income	3,011	4,499	3,011	4,499
General and administrative expenses	(9,196)	(8,387)	(9,196)	(8,387)
Profit from operations	23,235	25,601	23,235	25,601
Finance costs	(75)	(94)	(75)	(94)
Share of results of associate, net of tax	582	305	582	305
Profit before tax	23,742	25,812	23,742	25,812
Income tax expense	(5,426)	(6,293)	(5,426)	(6,293)
Profit net of tax	18,316	19,519	18,316	19,519
Profit attributable to:				
Owners of the parent	18,316	19,519	18,316	19,519
Non-controlling interests	-	-	-	-
	18,316	19,519	18,316	19,519
Basic earnings per share (sen)	3.5	3.7	3.5	3.7
Diluted earnings per share (sen)	3.5	3.7	3.5	3.7

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

The accompanying notes are an integral part of this statement.



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Registration No. 200201013949 (581612-A)
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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	18,316	19,519	18,316	19,519
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	894	2,313	894	2,313
Total comprehensive income for the period	19,210	21,832	19,210	21,832
Total comprehensive income attributable to:				
Owners of the parent	19,210	21,832	19,210	21,832
Non-controlling interests	-	-	-	-
	19,210	21,832	19,210	21,832

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest expense	75	94	75	94
(b) Interest income	(33)	(116)	(33)	(116)
(c) Depreciation and amortisation	2,777	2,682	2,777	2,682
(d) (Reversal of) or expected credit losses for receivables	(93)	-	(93)	-
(e) Provision for and write off of inventories	-	-	-	-
(f) (Gain) on disposal of property, plant and equipment	-	(40)	-	(40)
(g) (Gain) on disposal of of right-of-use assets	-	-	-	-
(h) Property, plant and equipment written off	1	-	1	-
(i) Realised foreign exchange (gain)/loss	(582)	(311)	(582)	(311)
(j) Unrealised foreign exchange (gain)/loss	(130)	(2,407)	(130)	(2,407)

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

The accompanying notes are an integral part of this statement.

**DUFU TECHNOLOGY CORP. BERHAD**Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 Mar 2022	(Audited) As at 31 Dec 2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	83,752	78,454
RIGHT-OF-USE ASSETS	15,565	15,624
INVESTMENT PROPERTIES	7,588	7,731
INVESTMENT IN ASSOCIATE	8,338	7,755
INVESTMENT IN CLUB MEMBERSHIP, AT COST	42	44
DEFERRED TAX ASSETS	614	693
	<u>115,899</u>	<u>110,301</u>
CURRENT ASSETS		
Inventories	83,445	76,578
Trade and other receivables	120,180	113,753
Current tax assets	351	484
Cash and bank balances	85,116	85,010
	<u>289,092</u>	<u>275,825</u>
TOTAL ASSETS	<u>404,991</u>	<u>386,126</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	105,610	105,256
TREASURY SHARES	(3,452)	(3,452)
RESERVES	229,636	210,277
	<u>331,794</u>	<u>312,081</u>
NON- CONTROLLING INTERESTS	-	-
EQUITY FUNDS	<u>331,794</u>	<u>312,081</u>
NON-CURRENT LIABILITIES		
LOANS AND BORROWINGS	17,954	8,917
DEFERRED TAX LIABILITIES	865	1,188
	<u>18,819</u>	<u>10,105</u>
CURRENT LIABILITIES		
Loans and borrowings	7,390	9,134
Trade and other payables	39,285	47,719
Contract liability	345	404
Current tax liabilities	7,358	6,683
	<u>54,378</u>	<u>63,940</u>
TOTAL LIABILITIES	<u>73,197</u>	<u>74,045</u>
TOTAL EQUITY AND LIABILITIES	<u>404,991</u>	<u>386,126</u>
Net Assets per ordinary share (RM)	0.63	0.59

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Report for the year ended 31 December 2021.

The accompanying notes are an integral part of this statement.



INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 March 2022

	← Attributable to owners of the Company →					Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Other Reserves	Share Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2022	105,256	(3,452)	(15,340)	2,364	223,253	312,081	-	312,081
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	18,316	18,316	-	18,316
Other comprehensive income for the period	-	-	894	-	-	894	-	894
	-	-	894	-	18,316	19,210	-	19,210
Transactions with owners:								
Issue of shares pursuant to ESOS	226	-	-	-	-	226	-	226
Transfer from Share Options Reserve	128	-	-	(128)	-	-	-	-
Share Options granted/ vested under ESOS	-	-	-	277	-	277	-	277
Total transactions with owners:	354	-	-	149	-	503	-	503
At 31 March 2022	105,610	(3,452)	(14,446)	2,513	241,569	331,794	-	331,794

Three Months Ended 31 March 2021

	← Attributable to owners of the Company →					Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Other Reserves	Share Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2021	97,263	(3,452)	(20,198)	2,560	179,660	255,833	-	255,833
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	19,519	19,519	-	19,519
Other comprehensive income for the period	-	-	2,313	-	-	2,313	-	2,313
	-	-	2,313	-	19,519	21,832	-	21,832
Transactions with owners:								
Share Options granted/ vested under ESOS	-	-	-	401	-	401	-	401
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	-
Total transactions with owners:	-	-	-	401	-	401	-	401
At 31 March 2021	97,263	(3,452)	(17,885)	2,961	199,179	278,066	-	278,066

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 December 2021.

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(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	3 months ended	3 months ended
	31 Mar 2022	31 Mar 2021
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	23,742	25,812
Adjustments for:		
Amortisation of club membership	2	3
Depreciation	2,775	2,679
Expected/ (Reversal of) credit loss for receivables	(93)	-
Interest income	(33)	(116)
Interest expense	75	94
Gain on disposal of property, plant and equipment	-	(40)
Plant and equipment written off	1	-
Share of results of associate	(582)	(305)
Share option granted under ESOS	277	401
Unrealised gain on foreign exchange	(130)	(2,407)
Total adjustments	2,292	309
Operating cash flows before changes in working capital	26,034	26,121
Changes in working capital		
Net change in current assets	(13,072)	(12,725)
Net change in current liabilities	(8,509)	167
Total changes in working capital	(21,581)	(12,558)
Cash flows from operations	4,453	13,563
Tax paid	(4,869)	(3,327)
Net cash flow (used in)/ generated from operating activities	(416)	10,236
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,468)	(1,122)
Interest received	33	116
Proceeds from disposal of plant and equipment	-	40
Net cash used in investing activities	(7,435)	(966)
FINANCING ACTIVITIES		
Repayment of term loans	(550)	(386)
Repayment of finance lease liabilities	(90)	(83)
Proceeds from issuance of shares	226	-
Net drawdown of term loan	9,530	-
Interest paid	(75)	(94)
Net repayment of short term borrowings	(1,613)	(4,663)
Net cash generated from/ (used in) financing activities	7,428	(5,226)
NET (DECREASE)/ INCREASE IN CASH AND CASH CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(423)	4,044
Effects of exchange rate changes	527	2,632
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	84,950	86,759
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	75,464	63,309
Highly liquid investments in money market funds	7,136	184
Term deposits	2,350	23,266
	84,950	86,759
Bank balance pledged as security	166	-
Cash and bank balances	85,116	86,759

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Report for the year ended 31 December 2021.

The accompanying notes are an integral part of this statement.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 January 2022:

(i) Amendments/Improvements to MFRSs

MFRS 3	Reference to the Conceptual Framework
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

(ii) Annual Improvements to MFRS Standards 2018-2020

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group.



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NOTES TO THE INTERIM FINANCIAL REPORT

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

	Description	Effective for annual periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 128	Investments in Associates and Joint Ventures	Deferred
MFRS 17	Insurance Contracts	1 January 2023
MFRS 17	Initial Application of MFRS17 and MFRS 9 – Comparative Information	1 January 2023
MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 108	Definition of Accounting Estimates (Amendment to Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
MFRS 101	Disclosure of Accounting Policies (Amendment to Presentation of Financial Statements)	1 January 2023
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3. Significant Accounting Estimates And Judgements

(a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of plant and equipment

The cost of Computer Numerical Control (“CNC”) machining is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within ten years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not subject to any audit qualification.

5. Seasonal or cyclical factors

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

6. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial period.

7. Changes in estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.



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NOTES TO THE INTERIM FINANCIAL REPORT

8. Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period except for the following:

As at 31 March 2022, a total of 325,000 new ordinary shares were issued pursuant to the exercise of the Company's Employees Share Options Scheme ("ESOS"). Details of the issued and paid-up capital of the Company as at 31 March 2022 are as follows:

	No. of shares	RM'000
As at 1 January 2022	542,511,734	105,256
Ordinary Shares issued pursuant to the ESOS		
(i) Cash receipts from exercise of ESOS	325,000	226
(ii) Transfer from Share Options Reserve	-	128
As at 31 March 2022	542,836,734*	105,610

*Inclusive of 13,792,488 Ordinary Shares held as treasury shares.

9. Dividend paid

There was no dividend paid during the financial period ended 31 March 2022.

10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

11. Significant and subsequent events to the balance sheet date

There were no significant and subsequent events at the end of the financial period ended 31 March 2022 that have not been reflected in the interim financial statements as at the date of this report.

12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period to date.

13. Changes in corporate guarantees, contingent liabilities or contingent assets

As at 31 March 2022, the Group has no material contingent liabilities save for corporate guarantee of RM90.0 million issued by the Company in respect of banking facilities granted to the subsidiary companies.

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FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****NOTES TO THE INTERIM FINANCIAL REPORT****14. Related party transactions**

The Board is of the opinion that there is no related party transaction which would have a material impact on the financial position and the business of the Group for the current financial year.

15. Segment reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to single operating segment, namely precision machining of industrial products and manufacturing of high-quality computer disk-drive related components.

The segmental information of the Group is presented by geographical segments. The geographical segments are based on the location of the assets and these are:

- (i) Malaysia
- (ii) Singapore
- (iii) China

Segment information for the year ended 31 March 2022 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	76,407	70,468	16,366	(76,912)	86,329
EBDITA *	22,789	2,379	1,668	(824)	26,012
Depreciation	(2,006)	(23)	(748)	-	(2,777)
Profit from operation	20,783	2,356	920	(824)	23,235
Finance costs	(72)	(3)	-	-	(75)
Share of results of associate	582	-	-	-	582
PBT **	21,293	2,353	920	(824)	23,742

As at 31 March 2022

Total assets	432,605	116,509	94,254	(238,377)	404,991
Total liabilities	57,195	94,624	20,264	(98,886)	73,197

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Segment information for the period ended 31 March 2021 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	73,759	65,131	10,996	(70,385)	79,501
EBDITA *	26,126	1,062	1,168	(73)	28,283
Depreciation	(1,900)	(18)	(764)	-	(2,682)
Profit from operation	24,226	1,044	404	(73)	25,601
Finance costs	(94)	-	-	-	(94)
Share of results of associate	305	-	-	-	305
PBT **	24,437	1,044	404	(73)	25,812
As at 31 March 2021					
Total assets	340,977	107,453	68,466	(185,309)	331,587
Total liabilities	50,383	76,338	9,214	(82,414)	53,521

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT - Profit/(Loss) Before Tax

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FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022****NOTES TO THE INTERIM FINANCIAL REPORT****PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A****16. Review of performance**

i) Comparison between current period quarter with corresponding quarter:

Current Period Quarter – 31 March 2022

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	76,407	70,468	16,366	(76,912)	86,329
EBDITA *	22,789	2,379	1,668	(824)	26,012
Depreciation	(2,006)	(23)	(748)	-	(2,777)
Profit					
from operation	20,783	2,356	920	(824)	23,235
Finance costs	(72)	(3)	-	-	(75)
Share of results of associate	582	-	-	-	582
PBT **	21,293	2,353	920	(824)	23,742

Preceding Period Quarter – 31 March 2021

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	73,759	65,131	10,996	(70,385)	79,501
EBDITA *	26,126	1,062	1,168	(73)	28,283
Depreciation	(1,900)	(18)	(764)	-	(2,682)
Profit					
from operation	24,226	1,044	404	(73)	25,601
Finance costs	(94)	-	-	-	(94)
Share of results of associate	305	-	-	-	305
PBT **	24,437	1,044	404	(73)	25,812

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT – Profit/(Loss) Before Tax



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT

Group

Group revenue for the quarter ended 31 March 2022 was RM86.3 million compared with RM79.5 million for the quarter ended 31 March 2021, an increase of 8.6%. The increase in revenue was mainly due to the increase in volume loading by customers related to Hard Disk Drives (“HDD”) components. On top of this, the Group also registered a strong growth in the sheet metal fabrication business segment.

The Group’s Profit Before Taxation for the quarter ended 31 March 2022 decreased to RM23.7 million from RM25.8 million registered in the previous year corresponding financial quarter ended 31 March 2021. The decrease in profit before taxation was mainly due to lower unrealized foreign exchange gain of RM0.13 million recorded in current quarter compared to RM2.4 million in the previous year corresponding quarter. On top of this, the increase in raw material prices also affected the profitability reported in the current quarter.

17. Comparison with immediate preceding quarter’s results

	Individual quarter ended		Variance	
	31.03.2022	31.12.2021	RM’000	%
	RM’000	RM’000	RM’000	%
Revenue	86,329	94,026	(7,697)	(8.2)
Profit before tax	23,742	22,433	1,309	5.8

Revenue for the quarter ended 31 March 2022 decreased by RM7.7 million or 8.2% while profit before taxation increased by RM1.3 million or 5.8% for the current quarter as compared to the preceding quarter. Despite the decrease in revenue, the increased in profit before taxation was mainly due to the favorable foreign exchange rates pertaining to the strengthening of the USD against Ringgit towards 31 March 2022 quarter end. The Group incurred total foreign exchange gain of RM0.7 million in current quarter as opposed to total foreign exchange loss of RM0.8 million in the preceding quarter.



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NOTES TO THE INTERIM FINANCIAL REPORT

18. Prospects

The Group is seeing healthy order flow from its existing customers. The revenue stream from HDD remains positive with cloud demand leading the charge to fuel the Group's growth. We are also positive on the Group's non-HDD segment as the semiconductor and tech hardware capital spending remains strong from domestic equipment exporters. All-in-all we are seeing encouraging visibility of orders for the year 2022 which should contribute positively towards the Group's earnings.

As the economy recovers from the pandemic, the Group is facing acute shortage of workers and other cost-related challenges such as the rising costs of raw materials and freight costs. The current Russia and Ukraine conflict and the forcing of lockdowns on virus hotspots in China may lead to possible supply chain disruptions, operational stoppages and shortage of raw materials supply.

The Group is mindful of the threat of Covid-19 related virus and will continue to adhere to the existing SOPs to safeguard the health and safety of the Group's employees. The Group continues to streamline its business structure, improve on its processes and optimize its operations.

Based on the abovementioned mixed developments for the Group coupled with the associated risks on the unpredictability and uncertainty posed by the various challenges on the Group's business operations, fluctuation in raw materials prices and supply chain disruption, we are cautiously optimistic of the Group's financial performance in the coming second quarter of 2022.

19. Variance of actual profit from profit forecast

Not applicable.

20. Taxation

	Current Quarter 3 months ended 31 March 2022 RM'000	Year-to-date 3 months ended 31 March 2022 RM'000
Income tax		
Current year	5,664	5,664
Prior year	-	-
	5,664	5,664
Deferred tax		
Current year	(238)	(238)
Prior year	-	-
	5,426	5,426



DUFU TECHNOLOGY CORP. BERHAD

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT

21. Status on corporate proposals

There were no corporate proposals for the current financial period to date.

22. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-term (Unsecured) RM'000	Short-term (Secured) RM'000	Long-term (Secured) RM'000	Total borrowings RM'000
Finance lease liabilities	-	343	589	932
Term loans	-	1,457	17,365	18,822
Bankers' acceptances	2,833	-	-	2,833
Revolving term loan	2,757	-	-	2,757
Total	5,590	1,800	17,954	25,344

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	10,721
US Dollar	4,093
RMB	10,197
SGD	333
Total borrowings	25,344

23. Derivatives financial instruments

There were no outstanding derivatives financial instruments entered into by the Group as at the date of this quarterly report.

24. Material litigation

There was no pending material litigation as at the date of this quarterly report.

25. Dividend

A single tier final dividend of 5.0 sen in respect of the financial year ended 31 December 2021 has been approved by the shareholders at the Annual General Meeting held on 28 April 2022 and is to be paid on 16 June 2022. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the quarter ending 30 June 2022.

In the corresponding year, a single tier final dividend of 3.75 sen in respect of the financial year ended 31 December 2020 was paid on 16 June 2021.

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**INTERIM FINANCIAL REPORT
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NOTES TO THE INTERIM FINANCIAL REPORT**26. Earnings per share**

Earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	3 Months Quarter Ended 31 March		3 Months Period Ended 31 March	
	2022	2021	2022	2021
Net profit attributable to shareholders (RM'000)	18,316	19,519	18,316	19,519
Weighted average number of ordinary shares in issue ('000) for basic earnings per share	528,929	521,374	528,929	521,374
Basic earnings per share (sen)	3.5	3.7	3.5	3.7
Weighted average number of ordinary shares in issue ('000) for diluted earnings per share	530,146	528,871	530,146	528,871
Diluted earnings per share (sen)	3.5	3.7	3.5	3.7

DATED THIS 28th DAY OF APRIL, 2022