



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 AUGUST 2015**

	Second Quarter		Cumulative Quarter	
	Current Year Quarter 31/8/2015 RM'000	Preceding Year Corresponding Quarter 31/8/2014 RM'000	Current Year To Date 31/8/2015 RM'000	Preceding Year Corresponding Period 31/8/2014 RM'000
<b>Revenue</b>	<b>121,409</b>	<b>141,370</b>	<b>260,044</b>	<b>272,048</b>
Operating Expenses	(109,403)	(121,087)	(233,089)	(231,720)
Other Operating Income	4,064	405	4,786	998
<b>Profit from Operations</b>	<b>16,070</b>	<b>20,688</b>	<b>31,741</b>	<b>41,326</b>
Finance Cost	(2,317)	(2,484)	(4,519)	(4,994)
Share of profit/(loss) in associate company	(107)	(5)	(96)	(34)
Share of profit/(loss) in joint venture company	128	19	177	17
<b>Profit before taxation</b>	<b>13,774</b>	<b>18,218</b>	<b>27,303</b>	<b>36,315</b>
Taxation	(3,345)	(4,824)	(7,751)	(9,338)
<b>Profit for the period</b>	<b>10,429</b>	<b>13,394</b>	<b>19,552</b>	<b>26,977</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	9,188	(1,432)	10,882	714
Realisation of revaluation reserve upon depreciation of revalued asset	38	31	44	62
Transfer of revaluation reserve to unappropriated profit	(38)	(31)	(44)	(62)
Fair value gain/(loss) on cash flow hedge	(563)	162	(45)	780
<b>Total comprehensive income for the period</b>	<b>19,054</b>	<b>12,124</b>	<b>30,389</b>	<b>28,471</b>
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the Company	10,429	13,394	19,552	26,977
Non-controlling interest	-	-	-	-
	<b>10,429</b>	<b>13,394</b>	<b>19,552</b>	<b>26,977</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	19,054	12,124	30,389	28,471
Non-controlling interest	-	-	-	-
	<b>19,054</b>	<b>12,124</b>	<b>30,389</b>	<b>28,471</b>
<b>Earnings per share</b>				
(a) Basic earnings per RM0.20 share (sen)	<b>1.72</b>	<b>2.33</b>	<b>3.23</b>	<b>4.70</b>
(b) Diluted earnings per RM0.20 share (sen)	<b>1.72</b>	<b>2.05</b>	<b>3.23</b>	<b>4.17</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 2015 and the accompanying explanatory notes attached to the interim financial reports.



## INTERIM FINANCIAL REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015

	31/8/2015 Unaudited	28/02/2015 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, Plant And Equipment	196,732	198,001
Prepaid Land Lease Payments	27,006	27,167
Investment Properties	4,830	4,830
Investment In An Associate Company	2,448	2,545
Investment In A Joint Venture Company	843	608
Capital Work-in-progress	9,162	3,073
Goodwill on Acquisition	1,364	1,364
Deferred Tax Assets	1,710	1,702
	<u>244,095</u>	<u>239,290</u>
<b>Current assets</b>		
Inventories	281,351	289,377
Trade and Other Receivables	150,562	152,420
Amount Due from An Associate Company	19,895	6,212
Derivatives Financial Instruments	2,390	2,394
Fixed Deposits with Licensed Banks	2,316	2,283
Cash and Bank Balances	35,352	55,393
	<u>491,866</u>	<u>508,079</u>
<b>TOTAL ASSETS</b>	<u><b>735,961</b></u>	<u><b>747,369</b></u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	123,294	120,597
Share Application Money	-	7
Share Premium	80,634	74,744
Treasury Shares	(4,686)	(4,139)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	-	4,821
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,860	3,904
Other Reserves	19,378	8,635
Unappropriated Profit	258,885	251,355
<b>Total Equity</b>	<u><b>488,847</b></u>	<u><b>467,406</b></u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	-	764
Long Term Borrowings	53,422	61,199
Other Payables	255	233
Deferred Tax Liabilities	4,292	4,651
	<u>57,969</u>	<u>66,847</u>
<b>Current liabilities</b>		
Trade and Other Payables	42,109	51,447
Overdraft and Short Term Borrowings	132,286	153,802
Amount Due to A Joint Venture Company	677	656
Amount Due to An Associate Company	14	223
Derivative financial instruments	1,344	1,086
Tax payable	2,606	2,322
Dividend Payable	10,109	3,580
	<u>189,145</u>	<u>213,116</u>
<b>Total Liabilities</b>	<u><b>247,114</b></u>	<u><b>279,963</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>735,961</b></u>	<u><b>747,369</b></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.79	0.78

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 2015 and the accompanying explanatory notes attached to the interim financial reports.

**PANTECH GROUP HOLDINGS BERHAD**Company No. 733607 W  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

	<b>GROUP 31/8/2015 RM'000</b>	<b>GROUP 31/8/2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	27,303	36,315
Adjustments for:		
Allowance for impairment of receivables	1,205	-
Allowance for impairment of receivables no longer required	-	(1,050)
Allowance for slow moving inventories	384	271
Amortisation of prepaid land lease payments	161	162
Depreciation of property, plant and equipment	7,178	6,443
Interest expense	3,941	4,338
Bad debts written off	13	-
Employees Share Option Scheme expenses	-	2
Interest income	(164)	(384)
Gain on disposal of property, plant and equipment	(38)	(94)
Fair value (gain)/loss on derivatives financial instruments	217	(57)
Unrealised exchange (gain)/loss on foreign exchange	(5,174)	1,103
Non-cash items	(79)	25
<b>Operating profit before changes in working capital</b>	<b>34,947</b>	<b>47,074</b>
Changes in working capital:-		
Inventories	7,642	(11,808)
Receivables	1,501	1,299
Payables	(4,221)	(7,532)
Associate company	(13,891)	(3,412)
Joint Venture Company	21	(287)
<b>Cash generated from operations</b>	<b>25,999</b>	<b>25,334</b>
Tax paid	(8,690)	(7,894)
<b>Net cash generated from operating activities</b>	<b>17,309</b>	<b>17,440</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	-	(75)
Interest received	164	384
Purchase of property, plant and equipment	(2,878)	(5,433)
Proceeds from disposal of property, plant and equipment	76	59
Capital work-in-progress incurred	(6,089)	-
<b>Net cash used in investing activities</b>	<b>(8,727)</b>	<b>(5,065)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,589)	(5,671)
Proceeds from issuance of share capital	968	13,944
Purchase of treasury shares	(547)	(381)
Interest paid	(4,118)	(4,183)
Share application money received	-	54
(Repayment of)/Proceed from short-term borrowings	(15,573)	8,640
Drawdown of borrowings	-	145
Repayment of borrowings	(13,542)	(9,777)
<b>Net cash (used in)/generated from financing activities</b>	<b>(36,401)</b>	<b>2,771</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(27,819)</b>	<b>15,146</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>7,811</b>	<b>714</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>57,676</b>	<b>62,093</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>37,668</b>	<b>77,953</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 2015 and the accompanying explanatory notes attached to the interim financial reports.



**PANTECH GROUP HOLDINGS BERHAD**

Company No. 733607 W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2015**

	← Attributable to Owners of the Company →											Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	← Non-Distributable →					Distributable								
	Share Capital RM'000	Share Application Money RM'000	Share Premium RM'000	Treasury Shares RM'000	ICULS- Equity component RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000			
<b>Balance as at 28 February 2014</b>	113,909	-	54,160	(1,807)	9,143	7,482	4,028	5,236	4,559	(1,442)	230,889	426,157	73	426,230
<b>Transactions with owners:</b>														
Issuance of shares pursuant to exercise of ESOS	4,162	54	14,955	-	-	-	-	(5,172)	-	-	-	13,999	-	13,999
Issuance of shares pursuant to conversion of ICULS	1,929	-	3,858	-	(3,865)	-	-	-	-	-	(1,188)	734	-	734
Acquisition of treasury shares	-	-	-	(380)	-	-	-	-	-	-	-	(380)	-	(380)
Share options granted under ESOS	-	-	-	-	-	-	-	2	-	-	-	2	-	2
Increase Share Capital in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	(73)	(73)
Final dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,963)	(5,963)	-	(5,963)
First interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,963)	(5,963)	-	(5,963)
<b>Total transactions with owners</b>	<b>6,091</b>	<b>54</b>	<b>18,813</b>	<b>(380)</b>	<b>(3,865)</b>	<b>-</b>	<b>-</b>	<b>(5,170)</b>	<b>-</b>	<b>-</b>	<b>(13,114)</b>	<b>2,429</b>	<b>(73)</b>	<b>2,356</b>
Total comprehensive income for the period	-	-	-	-	-	-	(62)	-	714	780	27,039	28,471	-	28,471
<b>Balance as at 31 August 2014</b>	<b>120,000</b>	<b>54</b>	<b>72,973</b>	<b>(2,187)</b>	<b>5,278</b>	<b>7,482</b>	<b>3,966</b>	<b>66</b>	<b>5,273</b>	<b>(662)</b>	<b>244,814</b>	<b>457,057</b>	<b>-</b>	<b>457,057</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 2015 and the accompanying explanatory notes attached to the interim financial reports



**PANTECH GROUP HOLDINGS BERHAD**

Company No. 733607 W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2015 (Continued)**

	←----- Attributable to Owners of the Company -----→											
	←----- Non-Distributable -----→										-----→ Distributable	
	Share Capital RM'000	Share Application Money RM'000	Share Premium RM'000	Treasury Shares RM'000	ICULS- Equity component RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000	Total Equity RM'000
<b>Balance as at 28 February 2015</b>	120,597	7	74,744	(4,139)	4,821	7,482	3,904	94	7,237	1,304	251,355	467,406
<b>Transactions with owners:</b>												
Issuance of shares pursuant to exercise of ESOS	291	(7)	1,077	-	-	-	-	(94)	-	-	(299)	968
Issuance of shares pursuant to exercise of Warrants	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to conversion of ICULS	2,406	-	4,813	-	(4,821)	-	-	-	-	-	(1,657)	741
Acquisition of treasury shares	-	-	-	(547)	-	-	-	-	-	-	-	(547)
Final dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,048)	(3,048)
Final share dividend distributable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,984)	(3,984)
First interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,078)	(3,078)
<b>Total transactions with owners</b>	<b>2,697</b>	<b>(7)</b>	<b>5,890</b>	<b>(547)</b>	<b>(4,821)</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>-</b>	<b>-</b>	<b>(12,066)</b>	<b>(8,948)</b>
Total comprehensive income for the period	-	-	-	-	-	-	(44)	-	10,882	(45)	19,596	30,389
<b>Balance as at 31 August 2015</b>	<b>123,294</b>	<b>-</b>	<b>80,634</b>	<b>(4,686)</b>	<b>-</b>	<b>7,482</b>	<b>3,860</b>	<b>-</b>	<b>18,119</b>	<b>1,259</b>	<b>258,885</b>	<b>488,847</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 2015 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 2015. 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 2015.

#### **A2 Summary of Significant Accounting Policies**

##### **(a) Adoption of New and Revised Financial Reporting Standards**

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 2015, except for adoption of the following new and revised FRSSs, Amendments to FRSSs and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 July 2014:

- MFRS 119: Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)
- Annual Improvements to MFRSs 2010-2012 Cycle issued on February 2014.
- Annual Improvements to MFRSs 2011-2013 Cycle issued on February 2014.

##### **(b) Standards Issued But Not Yet Effective**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group:



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## **INTERIM FINANCIAL REPORT**

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### **A2 Summary of Significant Accounting Policies (cont'd)**

#### **(b) Standards Issued But Not Yet Effective (cont'd)**

##### MFRS and Amendments to MFRS effective on 1 January 2016

- MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 11: Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 116: Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 138: Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investors and its Associate of Joint Venture
- Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101 – Disclosure Initiative
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2012-2014 Cycle”

##### MFRS effective on 1 January 2018

- MFRS 15: Revenue from Contracts with Customers

##### MFRS and Amendments to MFRS effective on 1 January 2018

- MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)
- Amendments to MFRS 7 Financial Instruments – Disclosures: Mandatory Effective Date of MFRS 9 and Transitional Disclosures.

The Group is currently assessing the impact of the adoption of these new and revised FRSs, Amendments to FRS and IC Interpretations on financial statements 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 2015 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.



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## INTERIM FINANCIAL REPORT

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**A5 Unusual Items due to Their Nature, Size or Incidence**

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

**A6 Material changes in estimates**

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

**A7 Debt and equity securities**

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

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

During the current financial year-to-date under review, 1,456,200 ordinary shares of RM 0.20 each were issued at RM 0.67 per share under Employees' Share Option Scheme. The ESOS has expired on 2 March 2015.

b) Irredeemable Convertible Unsecured Loan Stock ("ICULS")

During the current financial year-to-date under review, 72,193,818 units of ICULS have been converted to 12,032,027 ordinary shares of RM0.20 each. ICULS has been fully converted on 6 May 2015.

c) Treasury Shares

During the current financial year-to-date under review, the Company had repurchased 903,000 ordinary share or 0.14% of its issued share capital from the open market at the average price paid of RM0.61 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

The Company has the right to cancel, resell any repurchased shares 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 609,300,680 ordinary shares of RM0.20 each.

d) Pantech Group Holdings Berhad had received the approval from the Securities Commission, vide its letter dated 3 November 2010, for the exemption sought by CTL Capital Holding Sdn Bhd ("**CTL Capital**") and the parties acting in concert with it ("**PACs**") pursuant to Practice Note 2.9.1 of the Malaysian Code on Take-Overs and Mergers, 1998 (replaced by Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 with effect from 15 December 2010).

Amongst others, the approval requires Pantech to disclose in its annual and interim accounts and any public document, including annual reports, prospectuses and circulars, for so long as the ESOS Options, ICULS and Warrants remain outstanding, the following:-





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### A7 Debt and equity securities (cont'd)

#### i. The time period for which the exemption has been granted;

The exemption has been granted from 3 November 2010 up to the issuance and listing of the new Pantech Shares pursuant to the mandatory conversion of ICULS at its maturity date or upon full conversion of ICULS, whichever date is earlier.

#### ii. Number and percentage of voting shares in Pantech, and the number of ESOS Options, ICULS and Warrants held by CTL Capital and the PACs as at the latest practicable date prior to disclosure (13 October 2015);

Parties	Direct		Indirect		No of Warrants	
	No. of Voting Shares	% <sup>(i)</sup>	No. of Voting Shares	% <sup>(i)</sup>	Direct	Indirect
CTL Capital	109,693,214	17.84	-	-	17,346,398	-
GL Management Agency Sdn Bhd	79,075,770	12.86	-	-	12,838,130	-
Dato' Chew Ting Leng ("CTL")	4,545,000	0.74	109,693,214 <sup>(ii)</sup>	17.84	-	17,346,398 <sup>(ii)</sup>
Dato' Goh Teoh Kean ("GTK")	4,545,000	0.74	79,075,770 <sup>(iii)</sup>	12.86	-	12,838,130 <sup>(iii)</sup>
Tan Ang Ang ("TAA")	10,897,900	1.77	1,649,330 <sup>(iv)</sup>	0.27	1,347,240	213,000 <sup>(iv)</sup>
To Tai Wai ("TTW")	13,625,283	2.22	-	-	2,111,880	-
Datin Shum Kah Lin ("SKL")	-	-	114,238,214 <sup>(v)</sup>	18.58	-	17,346,398 <sup>(v)</sup>
Datin Lee Sock Kee ("LSK")	-	-	83,620,770 <sup>(vi)</sup>	13.60	-	12,838,130 <sup>(vi)</sup>
Yong Yui Kiew ("YYK")	1,649,330	0.27	10,897,900 <sup>(vii)</sup>	1.77	213,000	1,347,240 <sup>(vii)</sup>
<b>TOTAL</b>	<b>224,031,497</b>	<b>36.44</b>	<b>-</b>	<b>-</b>	<b>33,856,648</b>	<b>-</b>

#### Notes:-

- (i) Excluding a total of 1,562,960 treasury shares
- (ii) Deemed interested by virtue of his and his spouse SKL's interests in CTL Capital pursuant to Section 6A of the Companies Act, 1965 ("Act").
- (iii) Deemed interested by virtue of his and his spouse LSK's interests in GL Management Agency Sdn Bhd ("GL Management") pursuant to Section 6A of the Act.
- (iv) Deemed interested by virtue of his spouse YYK's direct shareholding in the Company pursuant to Section 134(12) of the Act
- (v) Deemed interested by virtue of her and her spouse, CTL's interests in CTL Capital pursuant to Section 6A of the Act, and by virtue of her spouse CTL's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vi) Deemed interested by virtue of her and her spouse, GTK's interests in GL Management pursuant to Section 6A of the Act, and by virtue of her spouse GTK's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vii) Deemed interested by virtue of her spouse TAA's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (viii) ICULS has been fully converted on 6 May 2015.
- (ix) ESOS Option has expired on 2 March 2015.



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### A7 Debt and equity securities (cont'd)

- iii. The maximum potential voting shares or voting rights of CTL Capital and its PACs in Pantech, assuming only CTL Capital and its PACs (but not other shareholders) exercise the ESOS Options, ICULS and Warrants in full;

Parties	Direct		Indirect	
	No. of voting shares	%	No. of voting shares	%
CTL Capital	127,039,612	19.58	-	-
GL Management	91,913,900	14.17	-	-
CTL	4,545,000	0.70	127,039,612 <sup>(i)</sup>	19.58
GTK	4,545,000	0.70	91,913,900 <sup>(ii)</sup>	14.17
TAA	12,245,140	1.89	1,862,330 <sup>(iii)</sup>	0.29
TTW	15,737,163	2.43	-	-
SKL	-	-	131,584,612 <sup>(iv)</sup>	20.28
LSK	-	-	96,458,900 <sup>(v)</sup>	14.87
YYK	1,862,330	0.29	12,245,140 <sup>(vi)</sup>	1.89
<b>TOTAL</b>	<b>257,888,145</b>	<b>39.76</b>	-	-

**Notes:-**

- (i) Deemed interested by virtue of his and his spouse SKL's interests in CTL Capital pursuant to Section 6A of the Act.  
(ii) Deemed interested by virtue of his and his spouse LSK's interests in GL Management pursuant to Section 6A of the Act.  
(iii) Deemed interested by virtue of his spouse YYK's direct shareholding in the Company pursuant to Section 134(12) of the Act  
(iv) Deemed interested by virtue of her and her spouse, CTL's interests in CTL Capital pursuant to Section 6A of the Act, and by virtue of her spouse CTL's direct shareholding in the Company pursuant to Section 134(12) of the Act.  
(v) Deemed interested by virtue of her and her spouse, GTK's interests in GL Management pursuant to Section 6A of the Act, and by virtue of her spouse GTK's direct shareholding in the Company pursuant to Section 134(12) of the Act.  
(vi) Deemed interested by virtue of her spouse TAA's direct shareholding in the Company pursuant to Section 134(12) of the Act.

- iv. No take-over offer would arise on full exercise of the Warrants by CTL Capital and the PACs.



## INTERIM FINANCIAL REPORT

**A8 Dividend Paid**

	<b>Current Year To-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
<b>Third interim dividend in respect of financial year ended 28 February 2015, paid on 16 April 2015</b> Single tier dividend of 0.6 sen per ordinary share of RM0.20	<b>3,589</b>	
<b>Third interim dividend in respect of financial year ended 28 February 2014, paid on 16 April 2014</b> Single tier dividend of 1.0 sen per ordinary share of RM0.20	-	5,671
	<b>3,589</b>	<b>5,671</b>

**A9 Segment Information**

The Group is principally engaged in the business segments of trading of PVF\*, manufacturing of pipes and pipe fittings, investments and management.

	<b>Trading of PVF products RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings RM'000</b>	<b>Investment and Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Period Ended 31 August 2015</b>					
<b>Revenue</b>					
External Revenue	157,197	102,847	-	-	260,044
Intersegment revenue	8,364	15,781	1,271	(25,416)	-
<b>Total revenue</b>	<b>165,561</b>	<b>118,628</b>	<b>1,271</b>	<b>(25,416)</b>	<b>260,044</b>
<b>Segment Profit</b>	<b>17,388</b>	<b>14,725</b>	<b>(28)</b>	<b>(508)</b>	<b>31,577</b>
Interest income					164
Finance costs					(4,519)
Share of profit of joint venture					177
Share of loss of associate					(96)
<b>Profit before tax</b>					<b>27,303</b>



## INTERIM FINANCIAL REPORT

### A9 Segment Information (cont'd)

	<b>Trading of PVF products RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings RM'000</b>	<b>Investment and Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Period Ended 31 August 2014</b>					
<b>Revenue</b>					
External Revenue	160,854	111,194	-	-	272,048
Intersegment revenue	8,363	16,759	6,380	(31,502)	-
<b>Total revenue</b>	<b>169,217</b>	<b>127,953</b>	<b>6,380</b>	<b>(31,502)</b>	<b>272,048</b>
<b>Segment Profit</b>	<b>21,834</b>	<b>19,605</b>	<b>4,823</b>	<b>(5,320)</b>	<b>40,942</b>
Interest income					384
Finance costs					(4,994)
Share of profit of joint venture					17
Share of loss of associate					(34)
<b>Profit before tax</b>					<b>36,315</b>

\* PVF : Represents pipes, valves and fittings.

Analysis of the Group's revenue by geographical segments:

	<b>Revenue</b>	
	<b>-- 6 months ended 31 August 2015 -- Current Year to-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
Generated by Malaysia operation	258,041	257,542
Generated by overseas operation	27,419	46,008
	<b>285,460</b>	<b>303,550</b>
Inter-segments elimination	<b>(25,416)</b>	<b>(31,502)</b>
	<b>260,044</b>	<b>272,048</b>

### 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 were no changes to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2015.



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## INTERIM FINANCIAL REPORT

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**A11 Material events subsequent to the end of the interim period**

Subsequent to the current financial quarter, the Company has on 29 September 2015 entered into a Joint Venture Agreement with Euromech Machinery Sdn. Bhd. with the intention to incorporate a new joint venture company named PANTECH GALVANISING SDN. BHD ("PGSB") to carry on the business of provision of hot-dip galvanising, and other business as permitted in the Memorandum of Association of the PGSB. The Company has on 13 October 2015 incorporated the 51% owned subsidiary by the name of PANTECH GALVANISING SDN. BHD. The issued share capital of PGSB is RM100.00 comprising 100 ordinary shares of RM1.00 each.

**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 August 2015</b>
	<b>RM'000</b>
Corporate guarantees	<u>717,245</u> *

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

**A14 Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 August 2015 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>233</u>



## INTERIM FINANCIAL REPORT

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

#### B1 Review of Performance

Business Segment	Revenue Current Quarter		Revenue 6 months to	
	31-Aug-2015	31-Aug-2014	31-Aug-2015	31-Aug-2014
	RM'000	RM'000	RM'000	RM'000
Trading	75,626	85,593	157,197	160,854
Manufacturing	45,783	55,777	102,847	111,194
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	<b>121,409</b>	<b>141,370</b>	<b>260,044</b>	<b>272,048</b>

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 6 months to	
	31-Aug-2015	31-Aug-2014	31-Aug-2015	31-Aug-2014
	RM'000	RM'000	RM'000	RM'000
Trading	6,363	11,166	14,438	19,618
Manufacturing	8,103	8,278	14,452	19,008
Investment and Management	(692)	(1,226)	(1,587)	(2,311)
<b>Consolidated Total</b>	<b>13,774</b>	<b>18,218</b>	<b>27,303</b>	<b>36,315</b>

#### Trading Division

For the current quarter ended 31 August 2015, the trading division recorded a lower external revenue of RM75.63 million (Q2FY15: RM85.59 million) and a lower segment profit before tax of RM6.36 million (Q2FY15: RM11.17 million), a decrease of approximately 12% and 43% respectively.

For the 6 months ended 31 August 2015, the trading division recorded a lower external revenue of RM157.20 million (6 months FY15: RM160.85 million) and a lower segment profit before tax of RM14.44 million (6 months FY15: RM19.62 million) and a decrease of approximately 2% and 26% respectively.

The lower revenue and profit before tax for the current quarter, and 6 months ended 31 August 2015 are mainly due to weaker demand and delivery in local and overseas oil and gas sector, while competitive pricing has caused lower profit before tax.



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## **INTERIM FINANCIAL REPORT**

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### **B1 Review of Performance (cont'd)**

#### **Manufacturing Division**

For the current quarter ended 31 August 2015, the manufacturing division recorded a lower external revenue of RM45.78 million (Q2FY15: RM55.78 million) and a lower segment profit before tax of RM8.10 million (Q2FY15: RM8.28 million), a decrease of approximately 18% and 2% respectively.

For the 6 months ended 31 August 2015, the manufacturing division recorded a lower external revenue of RM102.85 million (6 months FY15: RM111.19 million) and a lower segment profit before tax of RM14.45 million (6 months FY15: RM19.01 million) a decrease of approximately 8% and 24%.

The lower revenue and profit before tax for the current quarter and the 6 months ended 31 August 2015 are mainly due to decrease in manufacturing division output caused by the decrease in local and export sales demand.

#### **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 31 August 2015, the Group registered a lower revenue of RM121.41 million (Q2FY15: RM141.37 million) and a lower profit before taxation of RM13.77 million (Q2FY15: RM18.22 million). The weaker sales performance of the Group is mainly due to weaker demand and delivery in local and overseas oil and gas sector, as well as the competitive pricing.

For the 6 months ended 31 August 2015, the Group registered a lower revenue of RM260.04 million (6 months FY15: RM272.05 million), profit before tax of RM27.30 million (6 months FY15: RM36.32 million). The weaker performance of the Group is caused by decrease in local and export demand by both trading and manufacturing division.

### **B2 Variation of results against preceding quarter**

In the current quarter under review, the Group reported a lower revenue of RM121.41 million compared to RM138.64 million of the preceding quarter, but a higher profit after taxation of RM10.43 million compared to preceding quarter of RM9.12 million mainly due to better export margin of manufacturing division.

### **B3 Prospects**

In view of the current low international oil price, the Group is cautious with the challenges faced by the oil and gas industry in Malaysia and the region. The Group will prudently, continue to focus and expand on its existing revenue generating businesses and seek opportunities to grow its businesses, both local and overseas, by expanding its capacity as the major pipes, valves and fittings solutions provider to the oil and gas industries, related upstream and down-stream industries.



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## INTERIM FINANCIAL REPORT

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### B3 Prospects (cont'd)

With the continuous development of RAPID and associated facilities in southern Johor, as well as the on-going oil and gas investment in the industry, the Group is aware of the short term challenges, but is of the view that the long term outlook of the oil and gas industries continues to be positive.

Barring any unforeseen circumstances the Group expects its overall performance for the current financial year to remain satisfactory.

### B4 Variance on Profit Forecast/Profit Guarantee

There is no profit forecast or guarantee issued by the Group for the current financial year and quarter under review.

### B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	<b>31-Aug-15</b>	31-Aug-14	<b>31-Aug-15</b>	31-Aug-14
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current taxation	<b>3,640</b>	4,507	<b>7,805</b>	9,023
Transferred from / (to) deferred tax assets	-	110	-	112
Transferred to / (from) deferred taxation	<b>(274)</b>	230	<b>(12)</b>	245
Crystallization of deferred taxation upon depreciation of revalued assets	<b>(21)</b>	(23)	<b>(42)</b>	(42)
	<b>3,345</b>	4,824	<b>7,751</b>	9,338

Tax expense for the current quarter and financial year-to-date ended 31 August 2015 is derived based on the 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 are not deductible for tax purposes.

### 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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### **B7 Group borrowings and debt securities**

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

	<b>Current RM'000</b>	<b>Non-current RM'000</b>
<u>Unsecured:-</u>		
- Term loans	14,228	48,003
- Hire purchase	3,684	5,419
- Bankers' acceptances, trust receipts and other short term loan	87,230	-
- Onshore foreign currency loan	27,144	-
	<u>132,286</u>	<u>53,422</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	5,772	23,434
SGD Dollar	765	2,223
GBP Pound	585	3,709

### **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 second interim single tier dividend of 0.6 sen per ordinary share in respect of the financial year ending 29 February 2016 (Previous year corresponding period: 1.0 sen). The second interim dividend will be paid on 14 January 2016 to shareholders whose names appear on the Company's Record of Depositors on 22 December 2015.

The total dividend per share for the current financial year is 1.1 sen single tier dividend per ordinary share of RM 0.20 each. (Preceding year corresponding period: 2.0 sen).



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## INTERIM FINANCIAL REPORT

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### 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-Aug-15</b>	31-Aug-14	<b>31-Aug-15</b>	31-Aug-14
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit attributable to owners of the Company</b>	<b>10,429</b>	13,394	<b>19,552</b>	26,977
Weighted average number of ordinary share in issue ('000)	<b>605,880</b>	573,744	<b>605,880</b>	573,744
<b>Basic earnings per RM0.20 share (sen)</b>	<b>1.72</b>	2.33	<b>3.23</b>	4.70

#### 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. Diluted earnings per share is the same as basic earnings per share for the current period as there is no potential dilutive effect of ordinary shares that would be issued upon exercise of warrants.



## INTERIM FINANCIAL REPORT

**B10 Earnings Per Share (cont'd)**

**b) Diluted Earnings Per Share (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Aug-15 RM'000	Preceding Year Corresponding Quarter 31-Aug-14 RM'000	Current Year To Date 31- Aug-15 RM'000	Preceding Year Corresponding Period 31-Aug-14 RM'000
<b>Adjusted net profit for the period attributable to owners of the Company:</b>				
Net profit attributable to owners of the Company	10,429	13,394	19,552	26,977
Impact on income statement upon conversion of ICULS	-	(143)	-	(90)
	<b>10,429</b>	<b>13,251</b>	<b>19,552</b>	<b>26,887</b>
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	605,880	573,744	605,880	573,744
Adjustment for dilutive effect on conversion of ICULS ('000)	-	20,919	-	20,919
Adjustment for dilutive effect on Exercise of Warrants ('000)	-	32,143	-	32,143
Adjustment for dilutive effect on Exercise of ESOS options ('000)	-	18,594	-	18,594
	<b>605,880</b>	<b>645,400</b>	<b>605,880</b>	<b>645,400</b>
<b>Diluted earnings per RM0.20 share (sen)</b>	<b>1.72</b>	<b>2.05</b>	<b>3.23</b>	<b>4.17</b>



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## INTERIM FINANCIAL REPORT

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### B11 Share Buy Back

As at end of current quarter, a total of 7,170,800 ordinary shares of RM0.20 each were retained as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. The average price paid for the shares repurchased was RM0.65 per share.

### B12 Realized and Unrealized Profits / (Losses) disclosure

	As at 31-Aug-15	As at 28-Feb-15
	RM'000	RM'000
<b>Total unappropriated profits of Pantech and its subsidiaries:</b>		
- Realized	339,540	338,520
- Unrealized	9,715	2,740
	<b>349,255</b>	<b>341,260</b>
<b>Total share of unappropriated profits from associate company:</b>		
- Realized	2,049	2,261
- Unrealized	(21)	(5)
	<b>2,028</b>	<b>2,256</b>
<b>Total share of unappropriated profits from jointly controlled entity:</b>		
- Realized	723	453
- Unrealized	(41)	(5)
	<b>682</b>	<b>448</b>
	<b>351,965</b>	<b>343,964</b>
<b>Less: consolidation adjustments</b>	<b>(93,080)</b>	<b>(92,609)</b>
<b>Total Group unappropriated profits</b>	<b>258,885</b>	<b>251,355</b>



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## INTERIM FINANCIAL REPORT

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**B13 Notes to the Condensed Consolidated Statement of Comprehensive Income**

	<b>Quarter Ended 31-Aug-15 RM'000</b>	<b>Financial Year Ended 31-Aug-15 RM'000</b>
Interest income	67	164
Other income including investment income	135	294
Interest expense	(1,849)	(3,941)
Depreciation and amortization	(3,682)	(7,339)
Allowance for impairment and write off of receivables	(700)	(1,218)
Allowance for slow moving and write off of inventories	(384)	(384)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	554	(1,417)
Unrealised foreign exchange gain/(loss)	3,457	5,174
(Loss)/Gain on derivatives	(201)	(217)
Exceptional items	-	-

**Date: 21<sup>st</sup> October 2015**