



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 28 FEBRUARY 2015**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/2/2015 RM'000	Preceding Year Corresponding Quarter 28/2/2014 RM'000	Current Year To Date 28/2/2015 RM'000	Preceding Year Corresponding Period 28/2/2014 RM'000
<b>Revenue</b>	<b>129,645</b>	<b>128,432</b>	<b>525,742</b>	<b>575,610</b>
Operating Expenses	(117,492)	(113,269)	(459,314)	(497,447)
Other Operating Income	1,651	5,611	2,862	7,574
<b>Profit from Operations</b>	<b>13,804</b>	<b>20,774</b>	<b>69,290</b>	<b>85,737</b>
Finance Cost	(2,626)	(2,100)	(10,105)	(9,990)
Share of profit/(loss) in associate company	84	(226)	(58)	(542)
Share of profit/(loss) in joint venture company	26	(2)	48	22
<b>Profit before taxation</b>	<b>11,288</b>	<b>18,446</b>	<b>59,175</b>	<b>75,227</b>
Taxation	(3,605)	(4,969)	(15,433)	(20,590)
<b>Profit for the period</b>	<b>7,683</b>	<b>13,477</b>	<b>43,742</b>	<b>54,637</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	3,371	475	3,243	5,506
Realisation of revaluation reserve upon depreciation of revalued asset	31	206	124	304
Transfer of revaluation reserve to unappropriated profit	(31)	(206)	(124)	(304)
Fair value gain/(loss) on cash flow hedge	(537)	(368)	158	(1,265)
<b>Total comprehensive income for the period</b>	<b>10,517</b>	<b>13,584</b>	<b>47,143</b>	<b>58,878</b>
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the Company	7,683	13,477	43,742	54,638
Non-controlling interest	-	-	-	(1)
	<b>7,683</b>	<b>13,477</b>	<b>43,742</b>	<b>54,637</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	10,517	13,584	47,143	58,879
Non-controlling interest	-	-	-	(1)
	<b>10,517</b>	<b>13,584</b>	<b>47,143</b>	<b>58,878</b>
<b>Earnings per share</b>				
(a) Basic earnings per RM0.20 share (sen)	<b>1.31</b>	<b>2.47</b>	<b>7.48</b>	<b>10.02</b>
(b) Diluted earnings per RM0.20 share (sen)	<b>1.22</b>	<b>2.14</b>	<b>6.95</b>	<b>8.53</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 2014 and the accompanying explanatory notes attached to the interim financial reports.



## INTERIM FINANCIAL REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2015

	28/2/2015 Unaudited	28/02/2014 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, Plant And Equipment	197,893	196,173
Prepaid Land Lease Payments	27,167	27,490
Investment Properties	4,830	4,830
Investment In An Associate Company	2,561	2,619
Investment In A Joint Venture Company	607	545
Capital Work-in-progress	3,073	680
Goodwill on Acquisition	1,206	1,206
Deferred Tax Assets	2,125	2,421
	<u>239,462</u>	<u>235,964</u>
<b>Current assets</b>		
Inventories	290,493	251,210
Trade and Other Receivables	147,627	130,421
Amount Due from An Associate Company	6,377	10,763
Derivatives Financial Instruments	4	-
Fixed Deposits with Licensed Banks	2,283	2,223
Cash and Bank Balances	54,978	59,884
	<u>501,762</u>	<u>454,501</u>
<b>TOTAL ASSETS</b>	<u>741,224</u>	<u>690,465</u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	120,597	113,909
Share Application Money	8	-
Share Premium	74,744	54,160
Treasury Shares	(4,139)	(1,807)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	4,821	9,143
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,904	4,028
Other Reserves	6,612	8,353
Unappropriated Profit	251,945	230,889
<b>Equity attributable to owners of the Parent</b>	<u>465,974</u>	<u>426,157</u>
Non-controlling interest	-	73
Total Equity	<u>465,974</u>	<u>426,230</u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	764	1,976
Long Term Borrowings	60,893	65,479
Other Payables	-	227
Deferred Tax Liabilities	4,787	4,094
	<u>66,444</u>	<u>71,776</u>
<b>Current liabilities</b>		
Trade and Other Payables	46,891	49,078
Overdraft and Short Term Borrowings	154,031	130,436
Amount Due to A Joint Venture Company	656	594
Amount Due to An Associate Company	297	108
Derivative financial instruments	1,086	1,450
Tax payable	2,265	5,122
Dividend Payable	3,580	5,671
	<u>208,806</u>	<u>192,459</u>
<b>Total Liabilities</b>	<u>275,250</u>	<u>264,235</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>741,224</u>	<u>690,465</u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.77	0.75



## INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 28 FEBRUARY 2015

	GROUP 28/2/2015 RM'000	GROUP 28/2/2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	59,175	75,227
Adjustments for:		
Allowance for impairment of receivables	1,935	7,451
Allowance for slow moving inventories	1,039	463
Reversal of inventories written down	-	(1,213)
Amortisation of prepaid land lease payments	323	347
Depreciation of property, plant and equipment	13,632	11,472
Interest expense	8,832	9,226
Bad debts written off	109	48
Employees Share Option Scheme expenses	480	436
Interest income	(782)	(1,037)
Dividend income	-	#
Gain on disposal of other investment	-	(6)
Gain on disposal of property, plant and equipment	(252)	(194)
Fair value gain adjustment on investment properties	-	(669)
Fair value (gain)/loss on derivatives financial instruments	(13)	8
Allowance for impairment of receivables no longer required	-	(2,541)
Unrealised exchange loss/(gain) on foreign exchange	1,934	(743)
Non-cash items	(179)	665
<b>Operating profit before changes in working capital</b>	<b>86,233</b>	<b>98,940</b>
Changes in working capital:-		
Inventories	(40,322)	8,717
Receivables	(18,110)	(19,774)
Payables	(5,013)	2,569
Associate company	4,575	27,712
Joint Venture Company	62	243
<b>Cash generated from operations</b>	<b>27,425</b>	<b>118,407</b>
Tax paid	(18,443)	(22,108)
<b>Net cash generated from operating activities</b>	<b>8,982</b>	<b>96,299</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	-	84
Acquisition of interest in subsidiary from non-controlling interest	(73)	-
Payment of contingent consideration	-	(345)
Interest received	782	1,037
Purchase of property, plant and equipment	(14,785)	(14,185)
Purchase of prepaid land lease payment	-	(2,391)
Proceeds from disposal of property, plant and equipment	356	1,066
Proceeds from disposal of other investment	-	13
Capital work-in-progress incurred	(3,073)	(12,977)
<b>Net cash used in investing activities</b>	<b>(16,793)</b>	<b>(27,698)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(23,558)	(26,402)
Proceeds from issuance of share capital	15,179	11,883
Purchase of treasury shares	(2,333)	(136)
Interest paid	(8,568)	(11,249)
Share application money received	8	-
Proceed from/(Repayment of) short-term borrowings	16,685	(56,306)
Drawdown of borrowings	23,567	8,692
Repayment of borrowings	(21,244)	(17,101)
<b>Net cash generated used in financing activities</b>	<b>(264)</b>	<b>(90,619)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,075)</b>	<b>(22,018)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>3,243</b>	<b>4,958</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>62,093</b>	<b>79,153</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>57,261</b>	<b>62,093</b>

Note: # RM480.00

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 2014 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 28 FEBRUARY 2015**

	← Attributable to Owners of the Company →												
	← Non-Distributable					→ Distributable							
	Share Capital 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 RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<b>Balance as at 28 February 2013</b>	102,201	25,578	(1,670)	25,491	7,482	4,332	8,726	(947)	(177)	205,929	376,945	74	377,019
<b>Transactions with owners:</b>													
Issuance of shares pursuant to exercise of ESOS	3,548	12,262	-	-	-	-	(3,926)	-	-	-	11,884	-	11,884
Issuance of shares pursuant to conversion of ICULS	8,160	16,320	-	(16,348)	-	-	-	-	-	(4,005)	4,127	-	4,127
Acquisition of treasury shares	-	-	(137)	-	-	-	-	-	-	-	(137)	-	(137)
Share options granted under ESOS	-	-	-	-	-	-	436	-	-	-	436	-	436
Final dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(6,759)	(6,759)	-	(6,759)
First Interim dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(6,761)	(6,761)	-	(6,761)
Second Interim dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(6,786)	(6,786)	-	(6,786)
Third interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(5,671)	(5,671)	-	(5,671)
<b>Total transactions with owners</b>	<b>11,708</b>	<b>28,582</b>	<b>(137)</b>	<b>(16,348)</b>	<b>-</b>	<b>-</b>	<b>(3,490)</b>	<b>-</b>	<b>-</b>	<b>(29,982)</b>	<b>(9,667)</b>	<b>-</b>	<b>(9,667)</b>
Total comprehensive income for the period	-	-	-	-	-	(304)	-	5,506	(1,265)	54,942	58,879	(1)	58,878
<b>Balance as at 28 February 2014</b>	<b>113,909</b>	<b>54,160</b>	<b>(1,807)</b>	<b>9,143</b>	<b>7,482</b>	<b>4,028</b>	<b>5,236</b>	<b>4,559</b>	<b>(1,442)</b>	<b>230,889</b>	<b>426,157</b>	<b>73</b>	<b>426,230</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 2014 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 28 FEBRUARY 2015 (Continued)**

	←----- Attributable to Owners of the Company ----->											Distributable	Non-controlling Interest	Total Equity
	←----- Non-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 RM'000	Non-controlling Interest RM'000	Total Equity 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	4,530	8	16,269	-	-	-	-	(5,622)	-	-	-	15,185	-	15,185
Issuance of shares pursuant to exercise of Warrants	1	-	1	-	-	@	-	-	-	-	-	2	-	2
Issuance of shares pursuant to conversion of ICULS	2,157	-	4,314	-	(4,322)	-	-	-	-	-	(1,341)	808	-	808
Acquisition of treasury shares	-	-	-	(2,332)	-	-	-	-	-	-	-	(2,332)	-	(2,332)
Share options granted under ESOS	-	-	-	-	-	-	-	480	-	-	-	480	-	480
Increase Share Capital in subsidiary company	-	-	-	-	-	-	-	-	-	-	(2)	(2)	(73)	(75)
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,962)	(5,962)	-	(5,962)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,973)	(5,973)	-	(5,973)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,952)	(5,952)	-	(5,952)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,580)	(3,580)	-	(3,580)
<b>Total transactions with owners</b>	<b>6,688</b>	<b>8</b>	<b>20,584</b>	<b>(2,332)</b>	<b>(4,322)</b>	<b>@</b>	<b>-</b>	<b>(5,142)</b>	<b>-</b>	<b>-</b>	<b>(22,810)</b>	<b>(7,326)</b>	<b>(73)</b>	<b>(7,399)</b>
Total comprehensive income for the period	-	-	-	-	-	-	(124)	-	3,243	158	43,866	47,143	-	47,143
<b>Balance as at 28 February 2015</b>	<b>120,597</b>	<b>8</b>	<b>74,744</b>	<b>(4,139)</b>	<b>4,821</b>	<b>7,482</b>	<b>3,904</b>	<b>94</b>	<b>7,802</b>	<b>(1,284)</b>	<b>251,945</b>	<b>465,974</b>	<b>-</b>	<b>465,974</b>

Note: @ RM 266.00

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 2014 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 2014. 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 2014.

#### **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 2014, except for adoption of the following new and revised FRSS, Amendments to FRSS and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 January 2014:

- Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities
- Amendments to MFRS 127: Consolidated and Separate Financial Statements: Investment Entities
- Amendments to MFRS 132: Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Impairment of assets: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Financial Instruments: Recognition and Measurements: Novation of Derivatives and Continuation of Hedge Accounting



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## **INTERIM FINANCIAL REPORT**

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### **(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:

#### Amendments to MFRSs effective on 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.

#### 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 2017

- 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.



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## **INTERIM FINANCIAL REPORT**

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Adoption of these new and revised FRSs, Amendments to FRS and IC Interpretations will have no material impact 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 2014 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 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, 22,652,300 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") and Warrants

During the current financial year-to-date under review, 64,713,382 units of ICULS have been converted to 10,785,562 ordinary shares of RM0.20 each and 2,660 ordinary shares of RM0.20 were issued pursuant to exercise of 2,660 warrants at RM0.60.

c) Treasury Shares

During the current financial year-to-date under review, the Company had repurchased 2,815,500 ordinary share or 0.47% of its issued share capital from the open market at the average price paid of RM0.83 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.



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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 596,715,453 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:-

**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 (15 April 2015);**

Parties	Direct		Indirect		No of ICULS		No of Warrants		No. of ESOS Options (viii)
	No. of Voting Shares	% <sup>(i)</sup>	No. of Voting Shares	% <sup>(i)</sup>	Direct	Indirect	Direct	Indirect	
CTL Capital	108,607,143	18.16	-	-	-	-	17,346,398	-	-
GL Management Agency Sdn Bhd	78,292,843	13.09	-	-	-	-	12,838,130	-	-
Dato' Chew Ting Leng (“ <b>CTL</b> ”)	4,500,000	0.75	108,607,143 <sup>(iii)</sup>	18.16	-	-	-	17,346,398 <sup>(ii)</sup>	-
Dato' Goh Teoh Kean (“ <b>GTK</b> ”)	4,500,000	0.75	78,292,843 <sup>(iii)</sup>	13.09	-	-	-	12,838,130 <sup>(iii)</sup>	-
Tan Ang Ang (“ <b>TAA</b> ”)	10,790,000	1.80	1,633,000 <sup>(iv)</sup>	0.27	-	-	1,347,240	213,000 <sup>(iv)</sup>	-
To Tai Wai (“ <b>TTW</b> ”)	13,490,380	2.26	-	-	-	-	2,111,880	-	-
Datin Shum Kah Lin (“ <b>SKL</b> ”)	-	-	113,107,143 <sup>(v)</sup>	18.91	-	-	-	17,346,398 <sup>(v)</sup>	-
Datin Lee Sock Kee (“ <b>LSK</b> ”)	-	-	82,792,843 <sup>(vi)</sup>	13.84	-	-	-	12,838,130 <sup>(vi)</sup>	-
Yong Yui Kiew (“ <b>YYK</b> ”)	1,633,000	0.27	10,790,000 <sup>(vii)</sup>	1.80	-	-	213,000	1,347,240 <sup>(vii)</sup>	-
<b>TOTAL</b>	<b>221,813,366</b>	<b>37.08</b>	-	-	-	-	<b>33,856,648</b>	-	-



## INTERIM FINANCIAL REPORT

**Notes:-**

- (i) Excluding a total of 6,267,800 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.
- (vi) Deemed interested by virtue of her and her spouse GTK's interests in GL Management pursuant to Section 6A 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) ESOS Option has expired on 2 March 2015.

**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	125,953,541	19.93	-	-
GL Management	91,130,973	14.42	-	-
CTL	4,500,000	0.71	125,953,541 <sup>(i)</sup>	19.93
GTK	4,500,000	0.71	91,130,973 <sup>(ii)</sup>	14.42
TAA	12,137,240	1.92	1,846,000 <sup>(iii)</sup>	0.29
TTW	15,602,260	2.47	-	-
SKL	-	-	130,453,541 <sup>(iv)</sup>	20.64
LSK	-	-	95,630,973 <sup>(v)</sup>	15.13
YYK	1,846,000	0.29	12,137,240 <sup>(vi)</sup>	1.92
<b>TOTAL</b>	<b>255,670,014</b>	<b>40.45</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.
- (v) Deemed interested by virtue of her and her spouse GTK's interests in GL Management pursuant to Section 6A 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 and conversion of ICULS by CTL Capital and the PACs.**



## **INTERIM FINANCIAL REPORT**

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e) **Mandatory Conversion of ICULS into Ordinary shares**

The Board of Directors of Pantech Group Holdings Berhad (“Pantech”) had on 6 March 2015, announced that RM7,210,381.80 nominal value of ICULS comprising 72,103,818 ICULS of RM0.10 each (“Outstanding Pantech ICULS”), being approximately 9.63% of the total Pantech ICULS, remain outstanding as at 2 March 2015 and that pursuant to the Clause 6.1(c) of the Trust Deed dated 11 November 2010, Pantech will serve a compulsory notice of conversion on the remaining holders of all the Outstanding Pantech ICULS to be converted into new Pantech ordinary shares of RM0.20 each at the Conversion Price of six (6) Pantech ICULS with a nominal value of RM0.10 each for every one (1) new Pantech Share (“Proposed Compulsory Conversion”).

Accordingly Pantech had on 6 April 2015 served a Notice to the remaining ICULS Holders for compulsory conversion of all Outstanding Pantech ICULS and fixed Wednesday, 6 May 2015 at 5:00 p.m. as the Compulsory Conversion Date.



## INTERIM FINANCIAL REPORT

**A8 Dividend Paid**

	<b>Current Year To-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
<b>Second interim dividend in respect of financial year ended 28 February 2015, paid on 15 January 2015</b> Single tier dividend of 1.0 sen per ordinary share of RM0.20	5,952	
<b>First interim dividend in respect of financial year ended 28 February 2015, paid on 21 October 2014</b> Single tier dividend of 1.0 sen per ordinary share of RM0.20	5,973	
<b>Final dividend in respect of financial year ended 28 February 2014, paid on 22 September 2014</b> Single tier dividend of 1.0 sen per ordinary share of RM0.20	5,962	
<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>Second interim dividend in respect of financial year ended 28 February 2014, paid on 16 January 2014</b> Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,786
<b>First interim dividend in respect of financial year ended 28 February 2014, paid on 22 October 2013</b> Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,761
<b>Final dividend in respect of financial year ended 28 February 2013, paid on 19 September 2013</b> Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,759
<b>Third interim dividend in respect of financial year ended 28 February 2013, paid on 17 April 2013</b> Single tier dividend of 1.2 sen per ordinary share of RM0.20	-	6,096
	<b>23,558</b>	<b>26,402</b>

Subsequent to the interim financial period ended 28 February 2015, the Company had on 16 April 2015 paid a third interim single tier dividend of 0.6 sen per ordinary share of RM0.20 each in respect of financial year ended 28 February 2015 amounting to RM3.59 million.



## INTERIM FINANCIAL REPORT

### 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 28 February 2015</b>					
<b>Revenue</b>					
External Revenue	297,976	227,766	-	-	525,742
Intersegment revenue	28,723	38,122	28,644	(95,489)	-
<b>Total revenue</b>	<b>326,699</b>	<b>265,888</b>	<b>28,644</b>	<b>(95,489)</b>	<b>525,742</b>
<b>Segment Profit</b>	<b>30,264</b>	<b>39,728</b>	<b>25,803</b>	<b>(27,287)</b>	<b>68,508</b>
Interest income					782
Finance costs					(10,105)
Share of profit of joint venture					48
Share of loss of associate					(58)
<b>Profit before tax</b>					<b>59,175</b>

	<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 28 February 2014</b>					
<b>Revenue</b>					
External Revenue	312,495	263,115	-	-	575,610
Intersegment revenue	15,780	36,364	33,039	(85,183)	-
<b>Total revenue</b>	<b>328,275</b>	<b>299,479</b>	<b>33,039</b>	<b>(85,183)</b>	<b>575,610</b>
<b>Segment Profit</b>	<b>43,805</b>	<b>45,273</b>	<b>36,161</b>	<b>(40,539)</b>	<b>84,700</b>
Interest income					1,037
Finance costs					(9,990)
Share of profit of joint venture					22
Share of loss of associate					(542)
<b>Profit before tax</b>					<b>75,227</b>

\* PVF : Represents pipes, valves and fittings.



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## INTERIM FINANCIAL REPORT

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### A9 Segment Information (Cont'd)

Analysis of the Group's revenue by geographical segments:

	Revenue	
	-- 12 months ended 28 February 2015 --	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	541,594	563,697
Generated by overseas operation	79,637	97,096
	621,231	660,793
Inter-segments elimination	(95,489)	(85,183)
	525,742	575,610

### 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 2014.

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

There were no 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>28 February 2015</b>
	<b>RM'000</b>
Corporate guarantees	<u>685,732</u> *

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



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## INTERIM FINANCIAL REPORT

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**A14 Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 28 February 2015 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>10,673</u>
Analyzed as follows:	
- Property, plant and equipment	<u>10,673</u>



## INTERIM FINANCIAL REPORT

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

#### B1 Review of Performance

	Revenue		Revenue	
	Current Quarter		12 months to	
	28-Feb-2015	28-Feb-2014	28-Feb-2015	28-Feb-2014
	RM'000	RM'000	RM'000	RM'000
<b>Business Segment</b>				
Trading	71,374	80,642	297,976	312,495
Manufacturing	58,271	47,790	227,766	263,115
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	129,645	128,432	525,742	575,610

	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		12 months to	
	28-Feb-2015	28-Feb-2014	28-Feb-2015	28-Feb-2014
	RM'000	RM'000	RM'000	RM'000
<b>Business Segment</b>				
Trading	2,135	10,970	24,974	35,540
Manufacturing	9,313	7,333	38,277	42,638
Investment and Management	(160)	143	(4,076)	(2,951)
<b>Consolidated Total</b>	11,288	18,446	59,175	75,227

#### Trading Division

For the current quarter ended 28 February 2015, the trading division recorded a lower external revenue of RM71.37 million (Q4FY14: RM80.64 million) and a lower segment profit before tax of RM2.14 million (Q4FY14: RM10.97 million), a decrease of approximately 11% and 80% respectively.

The lower revenue and profit before tax for the current quarter are mainly due to slowing sales demand from local oil and gas sector and competitive pricing.

For the 12 months ended 28 February 2015, the trading division recorded a lower external revenue of RM297.98 million (12 months FY14: RM312.50 million) and a lower segment profit before tax of RM24.97 million (12 months FY14: RM35.54 million), a decrease of approximately 5% and 30% respectively.

The lower revenue and lower profit before tax for the 12 months ended 28 February 2015 are mainly due to weaker sales demand from oil and gas sector and competitive pricing.



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## **INTERIM FINANCIAL REPORT**

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

#### **Manufacturing Division**

For the current quarter ended 28 February 2015, the manufacturing division recorded a higher external revenue of RM58.27 million (Q4FY14: RM47.79 million) and a higher segment profit before tax of RM9.31 million (Q4FY14: RM7.33 million), an increase of approximately 22% and 27% respectively.

The higher sales and profit before tax are mainly due to higher contribution from local manufacturing division.

For the 12 months ended 28 February 2015, the manufacturing division recorded a lower external revenue of RM227.77 million (12 months FY14: RM263.12 million) and lower segment profit before tax of RM38.28 million (12 months FY14: RM42.64 million), a decrease of approximately 13% and 10% respectively.

The lower revenue and lower profit before tax for the 12 months ended 28 February 2015 are mainly due to decrease in export sales of stainless steel pipes.

#### **Investment and Management Division**

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

#### **Group Performance**

For the current quarter ended 28 February 2015, the Group registered comparable revenue of RM129.64 million (Q4FY14: RM128.43 million) and a lower profit before taxation of RM11.29 million (Q4FY14: RM18.45 million), an increase of approximately 1% and a decrease of 39% respectively. The weaker performance is mainly due to lower contribution from trading division arising from weaker demand from oil and gas sector.

For the 12 months ended 28 February 2015, the Group registered lower revenue of RM525.74 million (12 months FY14: RM575.61 million), profit before tax of RM59.18 million (12 months FY14: RM75.23 million) and profit after taxation of RM43.74 million (12 months FY14: RM54.64 million). Weaker performance in both trading and manufacturing division as explained above contributed to the lower revenue and profit before and after tax.

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

In the current quarter under review, the Group reported a higher revenue of RM129.65 million compared to RM124.05 million of the preceding quarter, but a lower profit after taxation of RM7.68 million compared to preceding quarter of RM9.08 million. The weaker performance is mainly due to the increase in operating expenses and competitive pricing from trading division.

### **B3 Prospects**

In view of the current volatility and 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



## INTERIM FINANCIAL REPORT

**B3 Prospects (Cont'd)**

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.

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 next 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 28-Feb-15 RM'000	Preceding Year Corresponding Quarter 28-Feb-14 RM'000	Current Year To Date 28-Feb-15 RM'000	Preceding Year Corresponding Period 28-Feb-14 RM'000
Current taxation	3,674	4,031	15,033	19,775
(Over)/under provision of taxation in prior year	10	(34)	(178)	391
Transferred from / (to) deferred tax assets	104	(629)	371	633
Transferred to / (from) deferred taxation	(166)	1,637	289	(107)
Crystallization of deferred taxation upon depreciation of revalued assets	(17)	(36)	(82)	(102)
	<b>3,605</b>	4,969	<b>15,433</b>	20,590

Tax expense for the current quarter and financial year-to-date ended 28 February 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.



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## INTERIM FINANCIAL REPORT

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**B6 Status of corporate proposals**

There are no corporate proposals announced but not completed as at the date of this quarterly report.

**B7 Group borrowings and 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	25,788	53,999
- Hire purchase	3,358	6,894
- Bankers' acceptances, trust receipts and other short term loan	73,276	-
- Onshore foreign currency loan	51,609	-
	<u>154,031</u>	<u>60,893</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	11,521	41,390
SGD Dollar	54	142
GBP Pound	1,854	10,219
	<u>13,429</u>	<u>51,751</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 is proposing for the shareholders' approval at the forthcoming Annual General Meeting a final cash dividend of 0.5 sen per ordinary share of RM0.20 each and a share dividend distribution of approximately 5.98 million treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares of RM0.20 each. Based on the treasury shares book cost, the share dividend is equivalent to 0.66 sen per share.



## INTERIM FINANCIAL REPORT

### B9 Dividends (Cont'd)

The propose total final cash and share dividend will be 1.16 sen. The details of the entitlement date for the share dividend and, the book closure date and payment date of the cash dividend will be announced later.

The final dividend for the previous financial year ended 28 February 2014 was single tier dividend of 1 sen per ordinary share of RM0.20 each.

The total dividend per share for the current financial year is 3.76 sen per ordinary share of RM 0.20 each. (FYE 28 February 2014: 4.4 sen single tier dividend per ordinary share of RM 0.20 each)

### B10 Earnings Per Share

#### a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing profit for the period attributable to owners of the Company by weighted average number of ordinary shares in issue during the period:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-15 RM'000	28-Feb-14 RM'000	28-Feb-15 RM'000	28-Feb-14 RM'000
<b>Net profit attributable to owners of the Company</b>	<b>7,683</b>	13,477	<b>43,742</b>	54,638
Weighted average number of ordinary share in issue ('000)	<b>585,064</b>	545,470	<b>585,064</b>	545,470
<b>Basic earnings per RM0.20 share (sen)</b>	<b>1.31</b>	2.47	<b>7.48</b>	10.02

#### 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 all outstanding Irredeemable Convertible Unsecured Loan Stock ("ICULS"), warrants and ESOS.



## INTERIM FINANCIAL REPORT

### B10 Earnings Per Share (Cont'd)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 28-Feb-15 RM'000	Preceding Year Corresponding Quarter 28-Feb-14 RM'000	Current Year To Date 28-Feb-15 RM'000	Preceding Year Corresponding Period 28-Feb-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	7,683	13,477	43,742	54,638
Impact on income statement upon conversion of ICULS	19	7	(39)	(813)
	<b>7,702</b>	<b>13,484</b>	<b>43,703</b>	<b>53,825</b>
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	585,064	545,470	585,064	545,470
Adjustment for dilutive effect on conversion of ICULS ('000)	16,898	37,753	16,898	37,753
Adjustment for dilutive effect on Exercise of Warrants ('000)	16,754	25,427	16,754	25,427
Adjustment for dilutive effect on Exercise of ESOS options ('000)	10,518	22,175	10,518	22,175
	<b>629,234</b>	<b>630,825</b>	<b>629,234</b>	<b>630,825</b>
<b>Diluted earnings per RM0.20 share (sen)</b>	<b>1.22</b>	<b>2.14</b>	<b>6.95</b>	<b>8.53</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 6,267,800 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 RM0.66 per share.

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

	As at 28-Feb-15	As at 28-Feb-14
	RM'000	RM'000
<b>Total unappropriated profits of Pantech and its subsidiaries:</b>		
- Realized	338,494	313,550
- Unrealized	3,263	6,453
	<b>341,757</b>	<b>320,003</b>
<b>Total share of unappropriated profits from associate company:</b>		
- Realized	2,140	2,336
- Unrealized	1	(5)
	<b>2,141</b>	<b>2,331</b>
<b>Total share of unappropriated profits from jointly controlled entity:</b>		
- Realized	441	404
- Unrealized	6	(20)
	<b>447</b>	<b>384</b>
	<b>344,345</b>	<b>322,718</b>
<b>Less: consolidation adjustments</b>	<b>(92,400)</b>	<b>(91,829)</b>
<b>Total Group unappropriated profits</b>	<b>251,945</b>	<b>230,889</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 28-Feb-15 RM'000</b>	<b>Financial Year Ended 28-Feb-15 RM'000</b>
Interest income	190	782
Other income including investment income	132	510
Interest expense	(2,435)	(8,832)
Depreciation and amortization	(3,638)	(13,955)
Allowance for impairment and write off of receivables	(4,279)	(1,935)
Allowance for slow moving and write off of inventories	(692)	(1,039)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	584	1,687
Unrealised foreign exchange gain/(loss)	(212)	(1,934)
(Loss)/Gain on derivatives	4	13
Exceptional items	-	-

**Date: 24<sup>th</sup> April 2015**