



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 NOVEMBER 2015

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2015 RM'000	Preceding Year Corresponding Quarter 30/11/2014 RM'000	Current Year To Date 30/11/2015 RM'000	Preceding Year Corresponding Period 30/11/2014 RM'000
Revenue	144,010	124,049	404,054	396,097
Operating Expenses	(129,655)	(110,103)	(362,744)	(341,823)
Other Operating Income	2,451	212	7,236	1,211
Profit from Operations	16,806	14,158	48,546	55,485
Finance Cost	(2,086)	(2,483)	(6,604)	(7,478)
Share of profit/(loss) in associate company	(27)	(108)	(123)	(142)
Share of profit/(loss) in joint venture company	(77)	5	100	22
Profit before taxation	14,616	11,572	41,919	47,887
Taxation	(3,520)	(2,491)	(11,271)	(11,829)
Profit for the period	11,096	9,081	30,648	36,058
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	3,036	842	13,918	128
Realisation of revaluation reserve upon depreciation of revalued asset	17	31	61	93
Transfer of revaluation reserve to unappropriated profit	(17)	(31)	(61)	(93)
Fair value gain/(loss) on cash flow hedge	38	(85)	(7)	695
Total comprehensive income for the period	14,170	9,838	44,559	36,881
Profit/(Loss) for the period attributable to:				
Owners of the Company	11,096	9,081	30,648	36,058
Non-controlling interest	-	-	-	-
	11,096	9,081	30,648	36,058
Total comprehensive income for the period attributable to:				
Owners of the Company	14,170	9,838	44,559	36,881
Non-controlling interest	-	-	-	-
	14,170	9,838	44,559	36,881
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.82	1.56	5.04	6.20
(b) Diluted earnings per RM0.20 share (sen)	1.82	1.42	5.04	5.62

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.

**PANTECH GROUP HOLDINGS BERHAD**Company No. 733607 W
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2015**

	30/11/2015 Unaudited	28/02/2015 Audited
	RM'000	RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	195,224	198,001
Prepaid Land Lease Payments	26,925	27,167
Investment Properties	4,830	4,830
Investment In An Associate Company	2,422	2,545
Investment In A Joint Venture Company	800	608
Capital Work-in-progress	11,309	3,073
Goodwill on Acquisition	1,364	1,364
Deferred Tax Assets	1,915	1,702
	<u>244,789</u>	<u>239,290</u>
Current assets		
Inventories	264,398	289,377
Trade and Other Receivables	150,236	152,420
Amount Due from An Associate Company	20,660	6,212
Derivatives Financial Instruments	2,401	2,394
Fixed Deposits with Licensed Banks	2,333	2,283
Cash and Bank Balances	46,414	55,393
	<u>486,442</u>	<u>508,079</u>
TOTAL ASSETS	<u><u>731,231</u></u>	<u><u>747,369</u></u>
EQUITY AND LIABILITIES		
Share Capital	123,294	120,597
Share Application Money	-	7
Share Premium	80,634	74,744
Treasury Shares	(1,383)	(4,139)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	-	4,821
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,843	3,904
Other Reserves	22,452	8,635
Unappropriated Profit	266,312	251,355
Total Equity	<u>502,634</u>	<u>467,406</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	-	764
Long Term Borrowings	47,612	61,199
Other Payables	268	233
Deferred Tax Liabilities	4,802	4,651
	<u>52,682</u>	<u>66,847</u>
Current liabilities		
Trade and Other Payables	34,359	51,447
Overdraft and Short Term Borrowings	132,362	153,802
Amount Due to A Joint Venture Company	652	656
Amount Due to An Associate Company	180	223
Derivative financial instruments	1,092	1,086
Tax payable	3,581	2,322
Dividend Payable	3,689	3,580
	<u>175,915</u>	<u>213,116</u>
Total Liabilities	<u>228,597</u>	<u>279,963</u>
TOTAL EQUITY AND LIABILITIES	<u><u>731,231</u></u>	<u><u>747,369</u></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.82	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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2015**

	GROUP 30/11/2015 RM'000	GROUP 30/11/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,919	47,887
Adjustments for:		
Allowance for impairment of receivables	1,727	-
Allowance for impairment of receivables no longer required	-	(2,344)
Allowance for slow moving inventories	911	347
Amortisation of prepaid land lease payments	242	242
Depreciation of property, plant and equipment	10,865	10,075
Interest expense	5,682	6,397
Bad debts written off	13	-
Employees Share Option Scheme expenses	-	480
Interest income	(264)	(592)
Gain on disposal of property, plant and equipment	(38)	(94)
Fair value loss/(gain) on derivatives financial instruments	7	(8)
Unrealised exchange (gain)/loss on foreign exchange	(4,006)	1,722
Non-cash items	30	128
Operating profit before changes in working capital	57,088	64,240
Changes in working capital:-		
Inventories	24,068	(35,099)
Receivables	746	(5,817)
Payables	(13,159)	(12,136)
Associate company	(14,490)	3,695
Joint Venture Company	(4)	(133)
Cash generated from operations	54,249	14,750
Tax paid	(10,604)	(13,338)
Net cash generated from operating activities	43,645	1,412
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-	(75)
Interest received	264	592
Purchase of property, plant and equipment	(8,148)	(8,154)
Proceeds from disposal of property, plant and equipment	76	94
Capital work-in-progress incurred	(8,236)	-
Net cash used in investing activities	(16,044)	(7,543)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(9,712)	(17,606)
Proceeds from issuance of share capital	968	14,777
Purchase of treasury shares	(1,228)	(857)
Interest paid	(5,859)	(6,239)
(Repayment of)/Proceed from short-term borrowings	(16,756)	31,826
Drawdown of borrowings	-	17,715
Repayment of borrowings	(18,093)	(15,213)
Net cash (used in)/generated from financing activities	(50,680)	24,403
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(23,079)	18,272
EFFECT OF EXCHANGE RATE CHANGES	14,150	128
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	57,676	62,093
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48,747	80,493

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 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 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			
Balance as at 28 February 2014	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
Transactions with owners:													
Issuance of shares pursuant to exercise of ESOS	4,411	15,827	-	-	-	(5,462)	-	-	-	-	14,776	-	14,776
Issuance of shares pursuant to exercise of Warrants	#	1	-	-	@	-	-	-	-	-	1	-	1
Issuance of shares pursuant to conversion of ICULS	1,931	3,862	-	(3,869)	-	-	-	-	-	(1,191)	733	-	733
Acquisition of treasury shares	-	-	(857)	-	-	-	-	-	-	-	(857)	-	(857)
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 payable to Shareholders	-	-	-	-	-	-	-	-	-	(5,951)	(5,951)	-	(5,951)
Total transactions with owners	6,342	19,690	(857)	(3,869)	@	-	(4,982)	-	-	(19,079)	(2,755)	(73)	(2,828)
Total comprehensive income for the period	-	-	-	-	-	(93)	-	128	695	36,151	36,881	-	36,881
Balance as at 30 November 2014	120,251	73,850	(2,664)	5,274	7,482	3,935	254	4,687	(747)	247,961	460,283	-	460,283

Note: # RM 410.00
Note: @ RM 205.00

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



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2015 (Continued)

	← Attributable to Owners of the Company →											Distributable
	← 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
Balance as at 28 February 2015	120,597	7	74,744	(4,139)	4,821	7,482	3,904	94	7,237	1,304	251,355	467,406
Transactions with owners:												
Issuance of shares pursuant to exercise of ESOS	291	(7)	1,077	-	-	-	-	(94)	-	-	(299)	968
Issuance of shares pursuant to conversion of ICULS	2,406	-	4,813	-	(4,821)	-	-	-	-	-	(1,657)	741
Acquisition of treasury shares	-	-	-	(1,228)	-	-	-	-	-	-	-	(1,228)
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,048)	(3,048)
Final share dividend distributed to Shareholders	-	-	-	3,984	-	-	-	-	-	-	(3,984)	-
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,075)	(3,075)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,689)	(3,689)
Total transactions with owners	2,697	(7)	5,890	2,756	(4,821)	-	-	(94)	-	-	(15,752)	(9,331)
Total comprehensive income for the period	-	-	-	-	-	-	(61)	-	13,918	(7)	30,709	44,559
Balance as at 30 November 2015	123,294	-	80,634	(1,383)	-	7,482	3,843	-	21,155	1,297	266,312	502,634

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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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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A2 Summary of Significant Accounting Policies (cont'd)

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

MFRS and Amendments to MFRSs effective 1 January 2016 :

- MFRS 14 Regulatory Deferral Accounts;
- Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception;
- Amendments to MFRS 11 Joint Arrangements: Accounting for acquisitions of interests in joint operations;
- Amendments to MFRS 101 Presentation of Financial Statements: Disclosure Initiative;
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets: Clarification of acceptable methods of depreciation and amortization;
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture: Agriculture - Bearer Plants;
- Amendments to MFRS 127 Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements;
- Annual Improvements to MFRSs 2012 – 2014 Cycle, including the amendments to:
 - MFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal;
 - MFRS 7 Financial Instruments - Disclosures: Servicing contracts;
 - MFRS 7 Financial Instruments - Disclosures: Applicability of the amendments to MFRS 7 to condensed interim financial statements;
 - MFRS 119 Employee Benefits: Discount rate – regional market issue;
 - MFRS 134 Interim Financial Reporting: Disclosure of information “elsewhere in the interim financial report”.

MFRS and Amendments to MFRS effective 1 January 2018 :

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014);
- MFRS 15 Revenue from Contracts with Customers;
- Amendments to MFRS 7 Financial Instruments – Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures;

Amendments to MFRS (deferred effective date to be announced by the MASB):

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture.

The adoption of the above standards and amendments are not expected to have any financial impacts to the financial statements of the Group except for MFRS 9 and MFRS 15. The Group is currently assessing the impact of MFRS 9 and MFRS 15 and plans to adopt the new standards on the required effective date.

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.



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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, 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 2,000,100 ordinary share or 0.32% 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 614,300,020 ordinary shares of RM0.20 each.



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A7 Debt and equity securities (cont'd)

- 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 (14 January 2016);

Parties	Direct		Indirect		No of Warrants	
	No. of Voting Shares	% ⁽ⁱ⁾	No. of Voting Shares	% ⁽ⁱ⁾	Direct	Indirect
CTL Capital	109,693,214	17.93	-	-	17,346,398	-
GL Management Agency Sdn Bhd	79,075,770	12.92	-	-	12,838,130	-
Dato' Chew Ting Leng (“CTL”)	4,545,000	0.74	109,693,214 ⁽ⁱⁱ⁾	17.93	-	17,346,398 ⁽ⁱⁱ⁾
Dato' Goh Teoh Kean (“GTK”)	4,545,000	0.74	79,075,770 ⁽ⁱⁱⁱ⁾	12.92	-	12,838,130 ⁽ⁱⁱⁱ⁾
Tan Ang Ang (“TAA”)	10,897,900	1.78	1,649,330 ^(iv)	0.27	1,347,240	213,000 ^(iv)
To Tai Wai (“TTW”)	13,625,283	2.23	-	-	2,111,880	-
Datin Shum Kah Lin (“SKL”)	-	-	114,238,214 ^(v)	18.67	-	17,346,398 ^(v)
Datin Lee Sock Kee (“LSK”)	-	-	83,620,770 ^(vi)	13.66	-	12,838,130 ^(vi)
Yong Yui Kiew (“YYK”)	1,649,330	0.27	10,897,900 ^(vii)	1.78	213,000	1,347,240 ^(vii)
TOTAL	224,031,497	36.61	-	-	33,856,648	-



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A7 Debt and equity securities (cont'd)

Notes:-

- (i) Excluding a total of 4,648,960 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.

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	19.68	-	-
GL Management	91,913,900	14.24	-	-
CTL	4,545,000	0.70	127,039,612 ⁽ⁱ⁾	19.68
GTK	4,545,000	0.70	91,913,900 ⁽ⁱⁱ⁾	14.24
TAA	12,245,140	1.90	1,862,330 ⁽ⁱⁱⁱ⁾	0.29
TTW	15,737,163	2.44	-	-
SKL	-	-	131,584,612 ^(iv)	20.38
LSK	-	-	96,458,900 ^(v)	14.94
YYK	1,862,330	0.29	12,245,140 ^(vi)	1.90
TOTAL	257,888,145	39.94	-	-

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.



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A7 Debt and equity securities (cont'd)

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

A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
First interim dividend in respect of financial year ended 29 February 2016, paid on 22 October 2015 Single tier dividend of 0.5 sen per ordinary share of RM0.20	3,075	-
Final dividend in respect of financial year ended 28 February 2015, paid on 18 September 2015 i) Single tier dividend of 0.5 sen per ordinary share of RM0.20 ii) Share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares of RM0.20 each	3,048 3,984	-
Third interim dividend in respect of financial year ended 28 February 2015, paid on 16 April 2015 Single tier dividend of 0.6 sen per ordinary share of RM0.20	3,589	
First interim dividend in respect of financial year ended 28 February 2015, paid on 21 October 2014 Single tier dividend of 1.0 sen per ordinary share of RM0.20	-	5,973
Final dividend in respect of financial year ended 28 February 2014, paid on 22 September 2014 Single tier dividend of 1.0 sen per ordinary share of RM0.20	-	5,962
Third interim dividend in respect of financial year ended 28 February 2014, paid on 16 April 2014 Single tier dividend of 1.0 sen per ordinary share of RM0.20	-	5,671
	13,696	17,606



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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.

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 30 November 2015					
Revenue					
External Revenue	252,679	151,375	-	-	404,054
Intersegment revenue	26,558	21,184	9,026	(56,768)	-
Total revenue	279,237	172,559	9,026	(56,768)	404,054
Segment Profit	28,482	21,044	6,955	(8,199)	48,282
Interest income					264
Finance costs					(6,604)
Share of profit of joint venture					100
Share of loss of associate					(123)
Profit before tax					41,919

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 30 November 2014					
Revenue					
External Revenue	226,605	169,492	-	-	396,097
Intersegment revenue	18,664	29,428	22,496	(70,588)	-
Total revenue	245,269	198,920	22,496	(70,588)	396,097
Segment Profit	26,750	29,935	19,547	(21,339)	54,893
Interest income					592
Finance costs					(7,478)
Share of profit of joint venture					22
Share of loss of associate					(142)
Profit before tax					47,887

* PVF : Represents pipes, valves and fittings.



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Analysis of the Group's revenue by geographical segments:

	Revenue	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	419,228	404,250
Generated by overseas operation	41,594	62,435
	460,822	466,685
Inter-segments elimination	(56,768)	(70,588)
	404,054	396,097

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.

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

The Company has on 13 October 2015 incorporated a 51% owned subsidiary by the name of PANTECH GALVANISING SDN. BHD ("PGSB"). The issued share capital of PGSB is RM100.00 comprising 100 ordinary shares of RM1.00 each.

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:-

	30 Nov 2015
	RM'000
Corporate guarantees	<u>717,245</u> *

* Represents the total limit of Pantech's corporate guarantee



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A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 November 2015 are as follows:

	RM'000
Approved and contracted for	<u>-</u>



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

B1 Review of Performance

	Revenue		Revenue	
	Current Quarter		9 months to	
	30-Nov-2015	30-Nov-2014	30-Nov-2015	30-Nov-2014
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	95,482	65,751	252,679	226,605
Manufacturing	48,528	58,298	151,375	169,492
Investment and Management	-	-	-	-
Consolidated Total	144,010	124,049	404,054	396,097

	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		9 months to	
	30-Nov-2015	30-Nov-2014	30-Nov-2015	30-Nov-2014
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	9,451	3,219	23,889	22,839
Manufacturing	6,242	9,957	20,694	28,964
Investment and Management	(1,077)	(1,604)	(2,664)	(3,916)
Consolidated Total	14,616	11,572	41,919	47,887

Trading Division

For the current quarter ended 30 November 2015, the trading division recorded a higher external revenue of RM95.48 million (Q3FY15: RM65.75 million) and a higher segment profit before tax of RM9.45 million (Q3FY15: RM3.22 million), an increase of approximately 45.2% and 193.5% respectively.

For the 9 months ended 30 November 2015, the trading division recorded a higher external revenue of RM252.68 million (9 months FY15: RM226.61 million) and a higher segment profit before tax of RM23.89 million (9 months FY15: RM22.84 million) and an increase of approximately 11.5% and 4.6% respectively.

The higher revenue and profit before tax for the current quarter and 9 months ended 30 November 2015, are mainly due to improved demand in downstream oil and gas projects, namely RAPID.



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B1 Review of Performance (cont'd)

Manufacturing Division

For the current quarter ended 30 November 2015, the manufacturing division recorded a lower external revenue of RM48.53 million (Q3FY15: RM58.30 million) and a lower segment profit before tax of RM6.24 million (Q3FY15: RM9.96 million), a decrease of approximately 16.7% and 37.3% respectively.

For the 9 months ended 30 November 2015, the manufacturing division recorded a lower external revenue of RM151.37 million (9 months FY15: RM169.49 million) and a lower segment profit before tax of RM20.69 million (9 months FY15: RM28.96 million) a decrease of approximately 10.7% and 28.5%.

The lower revenue and profit before tax for the current quarter and the 9 months ended 30 November 2015 are mainly due to decrease in manufacturing division output caused by the decrease in global 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 30 November 2015, the Group registered a higher revenue of RM144.01 million (Q3FY15: RM124.05 million) and a higher profit before taxation of RM14.62 million (Q3FY15: RM11.57 million). The better sales performance of the Group is mainly due to improved demand in downstream oil and gas projects, namely RAPID.

For the 9 months ended 30 November 2015, the Group registered a higher revenue of RM404.05 million (9 months FY15: RM396.10 million) due to improved demand in downstream oil and gas projects, namely RAPID. Despite better sales performance, a lower profit before tax of RM41.92 million (9 months FY15: RM47.89 million) is achieved due to competitive pricing both locally and overseas.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group reported a higher revenue of RM144.01 million compared to RM121.41 million of the preceding quarter, and a higher profit after taxation of RM11.10 million compared to preceding quarter of RM10.43 million mainly due to better performance from trading 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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B3 Prospects (cont'd)

With the continuous development of RAPID and associated facilities in southern Johor, the Group is aware of the short term challenges in the oil and gas industries but is of the view that the long term outlook of the Group 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
	30-Nov-15 RM'000	30-Nov-14 RM'000	30-Nov-15 RM'000	30-Nov-14 RM'000
Current taxation	3,638	2,337	11,255	11,359
(Over)/under provision of taxation in prior year	(191)	(188)	(191)	(188)
Transferred from / (to) deferred tax assets	-	21	-	267
Transferred to / (from) deferred taxation	94	342	270	455
Crystallization of deferred taxation upon depreciation of revalued assets	(21)	(21)	(63)	(64)
	3,520	2,491	11,271	11,829

Tax expense for the current quarter and financial year-to-date ended 30 November 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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B7 Group borrowings and debt securities

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

	Current RM'000	Non-current RM'000
<u>Unsecured:-</u>		
- Term loans	15,593	42,976
- Hire purchase	3,579	4,636
- Bankers' acceptances, trust receipts and other short term loan	69,681	-
- Onshore foreign currency loan	43,509	-
	<u>132,362</u>	<u>47,612</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	9,346	40,268
SGD Dollar	759	2,317
GBP Pound	494	3,241

B8 Material Litigation

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

B9 Dividends

The Board of directors has approved and declared a third interim single tier dividend of 0.5 sen per ordinary share in respect of the financial year ending 29 February 2016 (Previous year corresponding period: 0.6 sen). The third interim dividend will be paid on 15 April 2016 to shareholders whose names appear on the Company's Record of Depositors on 18 March 2016.

The total dividend per share for the current financial year is 1.6 sen single tier dividend per ordinary share of RM 0.20 each. (Preceding year corresponding period: 2.6 sen).



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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
	30-Nov-15	30-Nov-14	30-Nov-15	30-Nov-14
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to owners of the Company	11,096	9,081	30,648	36,058
Weighted average number of ordinary share in issue ('000)	608,132	581,509	608,132	581,509
Basic earnings per RM0.20 share (sen)	1.82	1.56	5.04	6.20

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.



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B10 Earnings Per Share (cont'd)

b) Diluted Earnings Per Share (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Nov-15 RM'000	Preceding Year Corresponding Quarter 30-Nov-14 RM'000	Current Year To Date 30-Nov-15 RM'000	Preceding Year Corresponding Period 30-Nov-14 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	11,096	9,081	30,648	36,058
Impact on income statement upon conversion of ICULS	-	32	-	(58)
	11,096	9,113	30,648	36,000
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	608,132	581,509	608,132	581,509
Adjustment for dilutive effect on conversion of ICULS ('000)	-	18,354	-	18,354
Adjustment for dilutive effect on Exercise of Warrants ('000)	-	26,935	-	26,935
Adjustment for dilutive effect on Exercise of ESOS options ('000)	-	13,246	-	13,246
	608,132	640,044	608,132	640,044
Diluted earnings per RM0.20 share (sen)	1.82	1.42	5.04	5.62



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B11 Share Buy Back

As at end of current quarter, a total of 2,171,460 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 RM0.63 per share.

B12 Realized and Unrealized Profits / (Losses) disclosure

	As at 30-Nov-15	As at 28-Feb-15
	RM'000	RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	348,653	338,520
- Unrealized	8,436	2,740
	357,089	341,260
Total share of unappropriated profits from associate company:		
- Realized	2,011	2,261
- Unrealized	(10)	(5)
	2,001	2,256
Total share of unappropriated profits from jointly controlled entity:		
- Realized	656	453
- Unrealized	(17)	(5)
	639	448
	359,729	343,964
Less: consolidation adjustments	(93,417)	(92,609)
Total Group unappropriated profits	266,312	251,355



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B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 30-Nov-15 RM'000	Financial Year Ended 30-Nov-15 RM'000
Interest income	100	264
Other income including investment income	113	407
Interest expense	(1,741)	(5,682)
Depreciation and amortization	(3,768)	(11,107)
Allowance for impairment and write off of receivables	(522)	(1,740)
Allowance for slow moving and write off of inventories	(527)	(911)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	3,691	2,274
Unrealised foreign exchange gain/(loss)	(1,168)	4,006
(Loss)/Gain on derivatives	210	(7)
Exceptional items	-	-

Date: 20th January 2016