



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 NOVEMBER 2017**

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2017 RM'000	Preceding Year Corresponding Quarter 30/11/2016 RM'000	Current Year To Date 30/11/2017 RM'000	Preceding Year Corresponding Period 30/11/2016 RM'000
Revenue	156,621	99,080	465,216	326,832
Operating Expenses	(141,871)	(92,837)	(418,658)	(304,156)
Other Operating Income	120	3,809	4,706	7,304
Profit from Operations	14,870	10,052	51,264	29,980
Finance Cost	(2,343)	(1,784)	(7,162)	(5,201)
Share of (loss)/profit in associate company	(95)	(337)	(176)	65
Share of loss in joint venture company	-	(1)	-	(8)
Profit before taxation	12,432	7,930	43,926	24,836
Taxation	(2,384)	(1,818)	(9,607)	(5,676)
Profit for the period	10,048	6,112	34,319	19,160
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	(279)	1,617	244	(5,382)
Realisation of revaluation reserve upon depreciation of revalued asset	50	(10)	152	97
Transfer of revaluation reserve to unappropriated profit	(50)	10	(152)	(97)
Fair value (loss)/gain on cash flow hedge	(430)	666	(2,442)	87
Total comprehensive income for the period	9,339	8,395	32,121	13,865
Profit/(loss) for the period attributable to:				
Owners of the Company	10,052	6,385	35,766	19,610
Non-controlling interest	(4)	(273)	(1,447)	(450)
	10,048	6,112	34,319	19,160
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	9,343	8,668	33,568	14,315
Non-controlling interest	(4)	(273)	(1,447)	(450)
	9,339	8,395	32,121	13,865
Earnings per share				
(a) Basic earnings per ordinary share (sen)	1.36	0.87	4.83	2.66
(b) Diluted earnings per ordinary share (sen)	1.28	0.87	4.55	2.66

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 2017 and the accompanying explanatory notes attached to the interim financial reports.

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017**

	30/11/2017 Unaudited	28/02/2017 Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	225,807	199,913
Prepaid Land Lease Payments	33,279	33,716
Capital Work-in-progress	3,547	28,566
Investment Properties	6,600	6,600
Investment In An Associate Company	2,099	2,275
Derivatives Financial Instruments	1,123	3,276
Goodwill on Acquisition	1,214	1,214
Deferred Tax Assets	1,372	927
	<u>275,041</u>	<u>276,487</u>
Current Assets		
Inventories	280,294	262,426
Trade and Other Receivables	164,972	148,426
Amount Due from An Associate Company	7,136	11,043
Derivatives Financial Instruments	955	1,344
Fixed Deposits with Licensed Banks	2,462	2,436
Cash and Bank Balances	71,595	89,156
	<u>527,414</u>	<u>514,831</u>
TOTAL ASSETS	<u>802,455</u>	<u>791,318</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	206,354	203,929
Treasury Shares	(812)	(554)
Revaluation Reserve	12,482	12,634
Warrants Reserve	14,808	14,869
Other Reserves	14,238	15,519
Unappropriated Profit	299,085	278,004
Equity attributable to owners of the Parent	<u>546,155</u>	<u>524,401</u>
Non-Controlling Interest	-	8,463
Total Equity	<u>546,155</u>	<u>532,864</u>
LIABILITIES		
Non-Current Liabilities		
Long Term Borrowings	44,255	46,938
Other Payables	270	278
Deferred Tax Liabilities	5,599	5,609
	<u>50,124</u>	<u>52,825</u>
Current Liabilities		
Trade and Other Payables	54,303	83,603
Overdraft and Short Term Borrowings	141,974	116,951
Amount Due to An Associate Company	302	259
Derivative Financial Instruments	-	99
Tax Payable	5,883	2,501
Dividend Payable	3,714	2,216
	<u>206,176</u>	<u>205,629</u>
Total Liabilities	<u>256,300</u>	<u>258,454</u>
TOTAL EQUITY AND LIABILITIES	<u>802,455</u>	<u>791,318</u>
NET ASSETS PER SHARE (RM)	0.73	0.71

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 2017 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 2017

	GROUP 30/11/2017 RM'000	GROUP 30/11/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,926	24,836
Adjustments for:		
Allowance/(reversal of allowance) for impairment of receivables	492	(2,277)
Allowance/(reversal of allowance) for slow moving inventories	1,301	(136)
Amortisation of prepaid land lease payments	437	421
Depreciation of property, plant and equipment	12,240	10,403
Interest expense	6,194	4,261
Bad debts written off	368	-
Interest income	(827)	(722)
Gain on disposal of property, plant and equipment	(384)	(945)
(Gain)/loss on fair value of derivatives financial instruments	-	14
Unrealised exchange loss/(gain) on foreign exchange	342	(330)
Other non-cash items	1,577	(53)
Operating profit before changes in working capital	65,666	35,472
Changes in working capital:-		
Inventories	(19,169)	11,073
Receivables	(16,519)	14,301
Payables	(29,711)	9,643
Associate company	3,951	7,200
Joint Venture Company	-	(802)
Cash generated from operations	4,218	76,887
Tax paid (net)	(7,219)	(10,255)
Net cash (used in)/generated from operating activities	(3,001)	66,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in subsidiary from non-controlling interest	(7,016)	-
Interest received	824	718
Purchase of property, plant and equipment	(4,014)	(2,578)
Proceeds from disposal of property, plant and equipment	431	2,298
Capital work-in-progress incurred	(3,496)	(22,271)
Proceed from non-controlling interests	-	2,588
Purchase of prepaid land lease payment	-	(231)
Net cash used in investing activities	(13,271)	(19,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(13,339)	(9,185)
Proceeds from issuance of share capital	1,957	-
Purchase of treasury shares	(258)	(1,226)
Interest paid	(6,375)	(4,464)
Proceeds from/(repayment of) short-term borrowings	27,091	(18,136)
Drawdown of borrowings	4,469	19,448
Repayment of borrowings	(15,201)	(18,524)
Net cash used in financing activities	(1,656)	(32,087)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,928)	15,069
EFFECT OF EXCHANGE RATE CHANGES	393	(3,947)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	91,592	76,951
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	74,057	88,073

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 2017 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 2017. 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 2017.

A2 Summary of Significant Accounting Policies

(a) Adoption of Amendments to MFRSs

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for year ended 28 February 2017, except for adoption of the following new standards and amendments to MFRSs which are mandatory for the financial period beginning on or after 1 January 2017.

- Amendments to MFRS 107 Disclosure Initiative
- Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to MFRSs 2014-2016 – Amendments to MFRS 12

(b) Standards Issued But Not Yet Effective

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

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2018:

- Amendments to MFRS 2 Share-based Payment – Classification and Measurement of Share-based Payment Transactions



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A2 Summary of Significant Accounting Policies (continued)

(b) Standards Issued But Not Yet Effective (continued)

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2018 (continued):

- MFRS 9 Financial Instruments
- Annual Improvements to MFRSs 2014-2016 Cycle:-
 - (i) Amendments to MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards
 - (ii) Amendments to MFRS 128 Investment in Associates
- MFRS 15 Revenue from Contracts with Customers
- Amendments to MFRS 140 – Transfers of Investment Property
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

MFRS and IC Interpretation effective for annual periods beginning on or after 1 January 2019:

- MFRS 16 Leases
- IC Interpretation 23 Uncertainty over Income Tax Treatments

MFRS and Amendments effective for a date yet to be confirmed:

- Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

The initial adoption of the above standards, amendments and interpretations are not expected to have any financial impacts to the financial statements of the Group except for MFRS 2, MFRS 9, MFRS 15 and MFRS 16. The Group is currently assessing the financial impact or potential effect of MFRS 2, MFRS 9, MFRS 15 and MFRS 16 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 2017 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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A5 Significant Matters, Unusual Items or Transactions due to Their Nature, Size or Incidence

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

A6 Material Changes in Estimates

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

A7 Debt and Equity Securities

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

a) Treasury Shares

During the current financial year-to-date under review, the Company had purchased 450,000 ordinary share or 0.06% of its issued share capital from the open market at the average price paid of RM0.57 per share. The purchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act, 2016.

The Company has the right to cancel, resell any shares purchased and/or distributes as dividends at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended.

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 742,794,933 ordinary shares.

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

During the current financial year-to-date under review, 3,979,500 number of ordinary shares were issued under the Company's ESOS.

c) Warrants 2010/2020 ("Warrants A") and Warrants 2016/2021 ("Warrants B")

During the current financial year-to-date under review, a total of 330,088 units of Warrants A and 281,413 units of Warrants B were exercised at the exercise price of RM0.50 per unit.



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A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
First interim dividend in respect of financial year ended 28 February 2018, paid on 24 October 2017 Single tier dividend of 0.50 sen per ordinary share and special single tier dividend of 0.50 sen per ordinary share	7,417	-
Final dividend in respect of financial year ended 28 February 2017, paid on 24 August 2017 Single tier dividend of 0.50 sen per ordinary share	3,706	-
Third interim dividend in respect of financial year ended 28 February 2017, paid on 12 April 2017 Single tier dividend of 0.30 sen per ordinary share	2,216	-
First interim dividend in respect of financial year ended 28 February 2017, paid on 19 October 2016 Single tier dividend of 0.50 sen per ordinary share		3,078
Final dividend in respect of financial year ended 29 February 2016, paid on 18 August 2016 i) Single tier dividend of 0.50 sen per ordinary share ii) Share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares		3,048 3,668
Third interim dividend in respect of financial year ended 29 February 2016, paid on 15 April 2016 Single tier dividend of 0.50 sen per ordinary share	-	3,059
	13,339	12,853



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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, galvanizing, investments and management.

	Trading of PVF products RM'000	Manufacturing of pipes and pipe fittings, galvanising RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 30 November 2017					
Revenue					
External Revenue	262,266	202,950	-	-	465,216
Intersegment revenue	27,026	37,890	20,935	(85,851)	-
Total revenue	289,292	240,840	20,935	(85,851)	465,216
Segment Profit	34,365	17,481	17,341	(18,750)	50,437
Interest income					827
Finance costs					(7,162)
Share of loss in associate					(176)
Profit before tax					43,926

	Trading of PVF products RM'000	Manufacturing of pipes and pipe fittings, galvanising RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Period Ended 30 November 2016					
Revenue					
External Revenue	203,266	123,566	-	-	326,832
Intersegment revenue	23,584	24,544	18,101	(66,229)	-
Total revenue	226,850	148,110	18,101	(66,229)	326,832
Segment Profit	17,630	12,661	15,474	(16,507)	29,258
Interest income					722
Finance costs					(5,201)
Share of loss in joint venture					(8)
Share of profit in associate					65
Profit before tax					24,836

* PVF: Represents pipes, valves and fittings.



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A9 Segment Information (continued)

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	511,429	349,502
Generated by overseas operation	39,638	43,559
	551,067	393,061
Inter-segments elimination	(85,851)	(66,229)
	465,216	326,832

A10 Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

There was no changes to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2017.

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 operations of the Group.

A12 Changes in the Composition of the Group

On 9 August 2017, the Company has subscribed for an additional 2,550,000 ordinary shares in its subsidiary, Pantech Galvanising Sdn. Bhd. ("PGSB") for a total cash consideration of RM2,550,000. Following the subscription, the Company's equity interest in PGSB has increased from 51% to 56.54%.

On 25 October 2017, the Company entered into a share sale agreement ("SSA") with Euromech Machinery Sdn Bhd (Company No. 1014146-D) for the acquisition of the remaining 9,800,000 ordinary shares representing 43.46% equity interest in Pantech Galvanising Sdn Bhd (Company No. 1162100-W) ("PGSB") for a total purchase consideration of Ringgit Malaysia Seven Million Sixteen Thousand (RM7,016,000) only to be entirely satisfied in cash subject to the terms and conditions as stipulated in the SSA ("Proposed Acquisition"). The Proposed Acquisition has been completed and PGSB has become a wholly owned subsidiary of the Company.



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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 2017
	RM'000
Corporate guarantees	<u>765,863</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 30 Nov 2017 are as follows:

	30 Nov 2017
	RM'000
Approved and contracted for	<u>1,065</u>



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

B1 Review of Performance

Business Segment	Revenue Current Quarter		Revenue 9 months to	
	30-Nov-17	30-Nov-16	30-Nov-17	30-Nov-16
	RM'000	RM'000	RM'000	RM'000
Trading	84,938	59,110	262,266	203,266
Manufacturing	71,683	39,970	202,950	123,566
Investment and Management	-	-	-	-
Consolidated Total	156,621	99,080	465,216	326,832

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 9 months to	
	30-Nov-17	30-Nov-16	30-Nov-17	30-Nov-16
	RM'000	RM'000	RM'000	RM'000
Trading	8,122	4,174	31,908	15,523
Manufacturing	5,533	4,786	15,906	12,508
Investment and Management	(1,223)	(1,030)	(3,888)	(3,195)
Consolidated Total	12,432	7,930	43,926	24,836

Trading Division

For the current quarter ended 30 November 2017, the trading division recorded higher external revenue of RM84.94 million (Q3FY17: RM59.11 million) and higher segment profit before tax of RM8.12 million (Q3FY17: RM4.17 million), an increase of approximately RM25.83 million (43.69%) and RM3.95 million (94.59%) respectively.

For the 9 months ended 30 November 2017, the trading division recorded higher external revenue of RM262.27 million (9 months FY17: RM203.27 million) and higher profit before tax of RM31.91 million (9 months FY17: RM15.52 million), an increase of approximately RM59.00 million (29.03%) and RM16.39 million (105.55%) respectively.

The higher revenue for the current quarter and the 9 months ended 30 November 2017 was mainly due to the increase in sales demand and delivery in downstream oil and gas projects, namely RAPID. The higher sales contribution as well as the better product mix has also contributed to the higher segment profit before tax for the current quarter and the 9 months ended 30 November 2017.



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B1 Review of Performance (continued)

Manufacturing Division

For the current quarter ended 30 November 2017, the manufacturing division recorded higher external revenue of RM71.68 million (Q3FY17: RM39.97 million) and a higher segment profit before tax of RM5.53 million (Q3FY17: RM4.79 million), an increase of approximately RM31.71 million (79.34%) and RM0.75 million (15.61%) respectively.

For the 9 months ended 30 November 2017, the manufacturing division recorded higher external revenue of RM202.95 million (9 months FY17: RM123.57 million) and higher segment profit before tax of RM15.91 million (9 months FY17: RM12.51 million), an increase of approximately RM79.38 million (64.24%) and RM3.40 million (27.17%) respectively.

The higher revenue for the current quarter and the 9 months ended 30 November 2017 was mainly due to the higher sales contribution from local manufacturing plant arising from better overseas sales demand. The increase in revenue has also contributed to the higher segment profit before tax for the manufacturing division.

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 2017, the Group registered higher revenue of RM156.62 million (Q3FY17: RM99.08 million) and higher profit before tax of RM12.43 million (Q3FY17: RM7.93 million).

For the 9 months ended 30 November 2017, the Group registered higher revenue of RM465.22 million (9 months FY17: RM326.83 million) and higher profit before tax of RM43.93 million (9 months FY17: RM24.84 million).

The better Group performance was mainly due to the increase in sales demand from both trading and manufacturing division arising from the increased delivery to RAPID and overseas market which also translated to higher profit before tax.

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group recorded a comparable revenue of RM156.62 million compared to the preceding quarter of RM157.10 million, but a lower profit after taxation ("PAT") of RM10.05 million compared to preceding quarter of RM11.01 million. The lower PAT for the current quarter was mainly due to the trading mix and foreign exchange currency loss.



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B3 Prospects

The Group remain cautiously optimistic on the increased activities and development in oil and gas industries with the current oil price break above USD60/barrel. 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.

The shale gas interest in the United States of America have spurred increases in sales activities for the manufacturing division. With the continuous development of RAPID projects and associated facilities in southern Johor, the Group is poised to meet the requirement from these projects which are expected to complete in 2019.

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 30-Nov-17 RM'000	Preceding Year Corresponding Quarter 30-Nov-16 RM'000	Current Year To Date 30-Nov-17 RM'000	Preceding Year Corresponding Period 30-Nov-16 RM'000
Current taxation	2,878	1,632	10,044	5,010
Under provision of taxation in prior year	100	64	17	37
Transferred from deferred tax assets	(579)	137	(408)	675
Crystallization of deferred taxation upon depreciation of revalued assets	(15)	(15)	(46)	(46)
	<u>2,384</u>	<u>1,818</u>	<u>9,607</u>	<u>5,676</u>



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B5 Taxation (continued)

Tax expense for the current quarter and financial year-to-date ended 30 November 2017 is derived based on management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is lower than the statutory rate which mainly due to the utilization of the tax incentive by one of the subsidiary company.

B6 Status of Corporate Proposals

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

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	15,559	37,579
- Hire purchase	2,838	6,676
- Bankers' acceptances, trust receipts and other short term loan	103,995	-
- Onshore foreign currency loan	19,582	-
	<u>141,974</u>	<u>44,255</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	3,945	16,461
SGD Dollar	27	82
GBP Pound	566	3,120

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.



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B9 Dividends

The Board of Directors has approved and declared the third interim single tier dividend of 0.50 sen per ordinary shares in respect of the financial year ending 28 February 2018 (Preceding year corresponding quarter: 0.30 sen). The third interim dividend will be paid on 20 April 2018 to shareholders whose name appear on the Company's Record of Depositors on 30 March 2018.

The total dividend per share for the current financial year is 2.0 sen single tier dividend per ordinary share (Preceding year corresponding period: 1.30 sen).

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-17 RM'000	30-Nov-16 RM'000	30-Nov-17 RM'000	30-Nov-16 RM'000
Net profit attributable to owners of the Company	10,052	6,385	35,766	19,610
Weighted average number of ordinary share in issue ('000)	740,600	735,915*	740,600	735,915*
Basic earnings per ordinary share (sen)	1.36	0.87	4.83	2.66



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B10 Earnings per Share (continued)

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 warrants and ESOS.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Nov-17 RM'000	30-Nov-16 RM'000	30-Nov-17 RM'000	30-Nov-16 RM'000
Net profit attributable to owners of the Company:	10,052	6,385	35,766	19,610
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	740,600	735,915*	740,600	735,915*
Adjustment for dilutive effect on exercise of Warrants ('000)	36,225	-	36,225	-
Adjustment for dilutive effect on exercise of ESOS options ('000)	9,258	-	9,258	-
	786,083	735,915*	786,083	735,915*
Diluted earnings per ordinary share (sen)	1.28	0.87	4.55	2.66

Note: *In accordance with the Malaysian Financial Reporting Standard MFRS 133 – Earnings Per Share, the effect of bonus issues on the computation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. Therefore, the number of ordinary shares has been adjusted for the bonus issue of one (1) bonus share for every five (5) existing ordinary shares in the Company which was completed on 21 December 2016.



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B11 Share Buy Back

As at end of current quarter, a total of 1,391,924 ordinary shares were retained as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act, 2016. The average price paid for the shares purchased was RM0.58 per share.

B12 Derivative Financial Instruments

	As at 30-Nov-17	
	Contract/ Notional amount RM'000	Fair value Assets RM'000
Hedging derivatives:-		
Cash flow hedges		
- Cross Currency Swap	15,327	2,078
		RM'000
<u>Analysed as:-</u>		
Within 1 year		955
More than 1 year but less than 5 years		1,123
		<u>2,078</u>

The Group held cross currency swap contracts designated as hedges of cash flow currency risk for certain borrowings. The terms of the cross currency swap contracts have been negotiated to match the terms of the borrowings.

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 28 February 2017:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the financial derivatives;
- (c) the policy in place for mitigating or controlling the risks associated with these financial derivatives; and
- (d) the related accounting policies.

The cash flow hedges of the borrowings were assessed to be highly effective and a net unrealized loss of approximately RM2,442,000 relating to the hedging instruments are included in other comprehensive income. None was reclassified from equity to profit or loss during the current financial year.



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B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 30-Nov-17 RM'000	Financial Year Ended 30-Nov-17 RM'000
Interest income	236	827
Other income including investment income	578	993
Interest expense	(2,031)	(6,194)
Depreciation and amortization	(4,340)	(12,677)
Allowance for impairment and write off of receivables	(1,049)	(860)
Allowance for slow moving and write off of inventories	(947)	(1,301)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Gain/(loss) on disposal of property, plant and equipment	24	384
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	(535)	(2,801)
Unrealised foreign exchange gain/(loss)	(452)	(342)
Gain/(loss) on derivatives	(10)	-
Exceptional items	-	-

Date: 26th January 2018