



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2014**

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2014 RM'000	Preceding Year Corresponding Quarter 30/11/2013 RM'000	Current Year To Date 30/11/2014 RM'000	Preceding Year Corresponding Period 30/11/2013 RM'000
Revenue	124,049	131,089	396,097	447,178
Operating Expenses	(110,103)	(112,646)	(341,823)	(384,178)
Other Operating Income	212	510	1,211	1,963
Profit from Operations	14,158	18,953	55,485	64,963
Finance Cost	(2,483)	(2,513)	(7,478)	(7,890)
Share of profit/(loss) in associate company	(108)	(117)	(142)	(316)
Share of profit/(loss) in joint venture company	5	16	22	24
Profit before taxation	11,572	16,339	47,887	56,781
Taxation	(2,491)	(4,246)	(11,829)	(15,621)
Profit for the period	9,081	12,093	36,058	41,160
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	842	432	128	5,031
Realisation of revaluation reserve upon depreciation of revalued asset	31	33	93	98
Transfer of revaluation reserve to unappropriated profit	(31)	(33)	(93)	(98)
Fair value gain/(loss) on cash flow hedge	(85)	(255)	695	(897)
Total comprehensive income for the period	9,838	12,270	36,881	45,294
Profit/(Loss) for the period attributable to:				
Owners of the Company	9,081	12,093	36,058	41,161
Non-controlling interest	-	-	-	(1)
	9,081	12,093	36,058	41,160
Total comprehensive income for the period attributable to:				
Owners of the Company	9,838	12,270	36,881	45,295
Non-controlling interest	-	-	-	(1)
	9,838	12,270	36,881	45,294
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.56	2.24	6.20	7.64
(b) Diluted earnings per RM0.20 share(sen)	1.42	1.91	5.62	6.35

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 30 NOVEMBER 2014**

	30/11/2014 Unaudited	28/02/2014 Audited
	RM'000	RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	194,809	196,173
Prepaid Land Lease Payments	27,248	27,490
Investment Properties	4,830	4,830
Investment In An Associate Company	2,477	2,619
Investment In A Joint Venture Company	566	545
Capital Work-in-progress	114	680
Goodwill on Acquisition	1,206	1,206
Deferred Tax Assets	2,001	2,421
	<u>233,251</u>	<u>235,964</u>
Current assets		
Inventories	285,962	251,210
Trade and Other Receivables	139,187	130,421
Amount Due from An Associate Company	7,537	10,763
Fixed Deposits with Licensed Banks	2,268	2,223
Cash and Bank Balances	78,225	59,884
	<u>513,179</u>	<u>454,501</u>
TOTAL ASSETS	<u>746,430</u>	<u>690,465</u>
EQUITY AND LIABILITIES		
Share Capital	120,251	113,909
Share Premium	73,850	54,160
Treasury Shares	(2,664)	(1,807)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	5,274	9,143
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,935	4,028
Other Reserves	4,194	8,353
Unappropriated Profit	247,961	230,889
Equity attributable to owners of the Parent	<u>460,283</u>	<u>426,157</u>
Non-controlling interest	-	73
Total Equity	<u>460,283</u>	<u>426,230</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	911	1,976
Long Term Borrowings	68,364	65,479
Other Payables	226	227
Deferred Tax Liabilities	4,364	4,094
	<u>73,865</u>	<u>71,776</u>
Current liabilities		
Trade and Other Payables	39,156	49,078
Overdraft and Short Term Borrowings	161,878	130,436
Amount Due to A Joint Venture Company	461	594
Amount Due to An Associate Company	577	108
Derivative financial instruments	747	1,450
Tax payable	3,512	5,122
Dividend Payable	5,951	5,671
	<u>212,282</u>	<u>192,459</u>
Total Liabilities	<u>286,147</u>	<u>264,235</u>
TOTAL EQUITY AND LIABILITIES	<u>746,430</u>	<u>690,465</u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.77	0.75 -

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 2014 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 2014

	GROUP 30/11/2014 RM'000	GROUP 30/11/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,887	56,781
Adjustments for:		
Allowance for impairment of receivables	-	6,887
Allowance for impairment of receivables no longer required	(2,344)	-
Allowance for slow moving inventories	347	164
Reversal of inventories written down	-	(587)
Amortisation of prepaid land lease payments	242	269
Depreciation of property, plant and equipment	10,075	8,659
Interest expense	6,397	7,300
Bad debts written off	-	9
Employees Share Option Scheme expenses	480	327
Interest income	(592)	(676)
Dividend income	-	(84)
Gain on disposal of other investment	-	(6)
(Gain)/Loss on disposal of property, plant and equipment	(94)	(159)
Fair value loss/(gain) on derivatives financial instruments	(8)	-
Unrealised exchange loss/(gain) on foreign exchange	1,722	(582)
Non-cash items	128	(3,671)
Operating profit before changes in working capital	64,240	74,631
Changes in working capital:-		
Inventories	(35,099)	23,854
Receivables	(5,817)	(12,137)
Payables	(12,136)	(8,944)
Associate company	3,695	28,143
Joint Venture Company	(133)	317
Cash generated from operations	14,750	105,864
Dividend paid	(17,606)	(19,616)
Tax paid	(13,338)	(17,468)
Net cash (used in)/ generated from operating activities	(16,194)	68,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	-	84
Acquisition of subsidiaries, net of cash acquired	(75)	(345)
Interest received	592	676
Purchase of property, plant and equipment	(8,154)	(15,686)
Proceeds from disposal of property, plant and equipment	94	1,059
Proceeds from disposal of other investment	-	13
Capital work-in-progress incurred	-	(10,081)
Net cash used in investing activities	(7,543)	(24,280)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	14,777	11,447
Purchase of treasury shares	(857)	(46)
Interest paid	(6,239)	(6,844)
Proceed from/(Repayment of) short-term borrowings	31,826	(27,615)
Drawdown of borrowings	17,715	8,988
Repayment of borrowings	(15,213)	(14,891)
Net cash generated from/(used in) financing activities	42,009	(28,961)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,272	15,539
EFFECT OF EXCHANGE RATE CHANGES	128	5,031
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	62,093	79,153
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	80,493	99,723

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2014

	← Attributable to Owners of the Company →										→ Distributable	Non-controlling Interest	Total Equity
	← Non-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
Balance as at 28 February 2013	102,201	25,578	(1,670)	25,491	7,482	4,332	8,726	(947)	(177)	205,929	376,945	74	377,019
Transactions with owners:													
Issuance of shares pursuant to exercise of ESOS	3,417	11,806	-	-	-	-	(3,775)	-	-	-	11,448	-	11,448
Issuance of shares pursuant to conversion of ICULS	7,904	15,807	-	(15,835)	-	-	-	-	-	(3,857)	4,019	-	4,019
Acquisition of treasury shares	-	-	(46)	-	-	-	-	-	-	-	(46)	-	(46)
Share options granted under ESOS	-	-	-	-	-	-	327	-	-	-	327	-	327
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	-	-	-	-	-	-	-	-	-	(6,790)	(6,790)	-	(6,790)
Total transactions with owners	11,321	27,613	(46)	(15,835)	-	-	(3,448)	-	-	(24,167)	(4,562)	-	(4,562)
Total comprehensive income for the period	-	-	-	-	-	(98)	-	5,031	(897)	41,259	45,295	(1)	45,294
Balance as at 30 November 2013	113,522	53,191	(1,716)	9,656	7,482	4,234	5,278	4,084	(1,074)	223,021	417,678	73	417,751

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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Continued)

	← 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
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 2014 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 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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(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 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.

Adoption of these new and revised FRSs, Amendments to FRS and IC Interpretations will have no material impact on financial statements of the Group.



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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, 22,053,500 ordinary shares of RM 0.20 each were issued at RM 0.67 per share under Employees' Share Option Scheme.

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

During the current financial year-to-date under review, 57,936,982 units of ICULS have been converted to 9,656,162 ordinary shares of RM0.20 each and 2,050 ordinary shares of RM0.20 were issued pursuant to exercise of 2,050 warrants at RM0.60.

c) Treasury Shares

During the current financial year-to-date under review, the Company had repurchased 868,000 ordinary share or 0.14% of its issued share capital from the open market at the average price paid of RM0.99 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 596,934,143 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



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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 2015);

Parties	Direct		Indirect		No of ICULS		No of Warrants		No. of ESOS Options (viii)
	No. of Voting Shares	% ⁽ⁱ⁾	No. of Voting Shares	% ⁽ⁱ⁾	Direct	Indirect	Direct	Indirect	
CTL Capital	108,607,143	18.23	-	-	-	-	17,346,398	-	-
GL Management Agency Sdn Bhd	78,292,843	13.14	-	-	-	-	12,838,130	-	-
Dato’ Chew Ting Leng (“ CTL ”)	4,500,000	0.76	108,607,143 ⁽ⁱⁱ⁾	18.23	-	-	-	17,346,398 ⁽ⁱⁱ⁾	-
Dato’ Goh Teoh Kean (“ GTK ”)	4,500,000	0.76	78,292,843 ⁽ⁱⁱⁱ⁾	13.14	-	-	-	12,838,130 ⁽ⁱⁱⁱ⁾	-
Tan Ang Ang (“ TAA ”)	9,290,000	1.56	1,633,000 ^(iv)	0.27	-	-	1,347,240	213,000 ^(iv)	1,500,000
To Tai Wai (“ TTW ”)	13,490,380	2.26	-	-	-	-	2,111,880	-	-
Datin Shum Kah Lin (“ SKL ”)	-	-	113,107,143 ^(v)	18.99	-	-	-	17,346,398 ^(v)	-
Datin Lee Sock Kee (“ LSK ”)	-	-	82,792,843 ^(vi)	13.90	-	-	-	12,838,130 ^(vi)	-
Yong Yui Kiew (“ YYK ”)	1,633,000	0.27	9,290,000 ^(vii)	1.56	-	-	213,000	1,347,240 ^(vii)	-
TOTAL	220,313,366	36.98	-	-	-	-	33,856,648	-	1,500,000

Notes:-

- (i) Excluding a total of 6,159,800 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.



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Notes:- (Cont'd)

- (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) 100% of the ESOS Option is exercisable as at 14 January 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	19.96	-	-
GL Management	91,130,973	14.44	-	-
CTL	4,500,000	0.71	125,953,541 ⁽ⁱ⁾	19.96
GTK	4,500,000	0.71	91,130,973 ⁽ⁱⁱ⁾	14.44
TAA	12,137,240	1.92	1,846,000 ⁽ⁱⁱⁱ⁾	0.29
TTW	15,602,260	2.47	-	-
SKL	-	-	130,453,541 ^(iv)	20.67
LSK	-	-	95,630,973 ^(v)	15.15
YYK	1,846,000	0.29	12,137,240 ^(vi)	1.92
TOTAL	255,670,014	40.50	-	-

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 ESOS Options and Warrants and conversion of ICULS by CTL Capital and the PACs.**



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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 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	
First interim dividend in respect of financial year ended 28 February 2014, paid on 22 October 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,761
Final dividend in respect of financial year ended 28 February 2013, paid on 19 September 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,759
Third interim dividend in respect of financial year ended 28 February 2013, paid on 17 April 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20	-	6,096
	17,606	19,616

Subsequent to the interim financial period ended 30 November 2014, the Company had on 15 January 2015 paid a second interim single tier dividend of 1.0 sen per ordinary share of RM0.20 each in respect of financial year ended 28 February 2015 amounting to RM5.95 million.



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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 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

	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 2013					
Revenue					
External Revenue	231,853	215,325	-	-	447,178
Intersegment revenue	13,695	27,387	17,417	(58,499)	-
Total revenue	245,548	242,712	17,417	(58,499)	447,178
Segment Profit	27,926	36,287	16,316	(16,242)	64,287
Interest income					676
Finance costs					(7,890)
Share of profit of joint venture					24
Share of loss of associate					(316)
Profit before tax					56,781

* 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	404,250	443,576
Generated by overseas operation	62,435	62,101
	466,685	505,677
Inter-segments elimination	(70,588)	(58,499)
	396,097	447,178

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:-

	30 November 2014
	RM'000
Corporate guarantees	<u>672,027</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 2014 are as follows:

	RM'000
Approved and contracted for	<u>6,545</u>
Analyzed as follows:	
- Property, plant and equipment	<u>6,545</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-2014	30-Nov-2013	30-Nov-2014	30-Nov-2013
	RM'000	RM'000	RM'000	RM'000
Trading	65,751	75,074	226,605	231,853
Manufacturing	58,298	56,015	169,492	215,325
Investment and Management	-	-	-	-
Consolidated Total	124,049	131,089	396,097	447,178

Business Segment	Profit Before Taxation Current Quarter		Profit Before Taxation 9 months to	
	30-Nov-2014	30-Nov-2013	30-Nov-2014	30-Nov-2013
	RM'000	RM'000	RM'000	RM'000
Trading	3,219	6,962	22,839	24,570
Manufacturing	9,957	10,092	28,964	35,305
Investment and Management	(1,604)	(715)	(3,916)	(3,094)
Consolidated Total	11,572	16,339	47,887	56,781

Trading Division

For the current quarter ended 30 November 2014, the trading division recorded a lower external revenue of RM65.75 million (Q3FY14: RM75.07 million) and a lower segment profit before tax of RM3.22 million (Q3FY14: RM6.96 million), a decrease of approximately 12% and 54% 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 9 months ended 30 November 2014, the trading division recorded a lower external revenue of RM226.61 million (9 months FY14: RM231.85 million) and a lower segment profit before tax of RM22.84 million (9 months FY14: RM24.57 million), a decrease of approximately 2% and 7% respectively.

The marginal lower revenue and lower profit before tax for the 9 months ended 30 November 2014 are mainly due to weaker sales demand from oil and gas sector.



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B1 Review of Performance (Cont'd)

Manufacturing Division

For the current quarter ended 30 November 2014, the manufacturing division recorded a marginal higher external revenue of RM58.30 million (Q3FY14: RM56.02 million) and a comparable segment profit before tax of RM9.96 million (Q3FY14: RM10.09 million), an increase of approximately 4% and decrease of 1% respectively.

The marginal higher sales are mainly due to higher contribution from stainless steel fitting manufacturing division.

For the 9 months ended 30 November 2014, the manufacturing division recorded a lower external revenue of RM169.49 million (9 months FY14: RM215.33 million) and lower segment profit before tax of RM28.96 million (9 months FY14: RM35.31 million), a decrease of approximately 21% and 18% respectively.

The lower revenue and lower profit before tax for the 9 months ended 30 November 2014 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 30 November 2014, the Group registered lower revenue of RM124.05 million (Q3FY14: RM131.09 million) and a lower profit before taxation of RM11.57 million (Q3FY14: RM16.34 million), a decrease of approximately 5% and 29% respectively. The weaker performance is mainly due to lower contribution from trading division arising from weaker demand from oil and gas sector.

For the 9 months ended 30 November 2014, the Group registered lower revenue of RM396.10 million (9 months FY14: RM447.18 million), profit before tax of RM47.89 million (9 months FY14: RM56.78 million) and profit after taxation of RM36.06 million (9 months FY14: RM41.16 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 lower revenue of RM124.05 million compared to RM141.37 million of the preceding quarter, and a lower profit after taxation of RM9.08 million compared to preceding quarter of RM13.39 million. The weaker performance is mainly due to weaker trading division results, cause by slowing demand from oil and gas sector and competitive pricing.

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



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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 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-14 RM'000	Preceding Year Corresponding Quarter 30-Nov-13 RM'000	Current Year To Date 30-Nov-14 RM'000	Preceding Year Corresponding Period 30-Nov-13 RM'000
Current taxation	2,337	4,175	11,359	15,744
(Over)/under provision of taxation in prior year	(188)	425	(188)	425
Transferred from / (to) deferred tax assets	21	71	267	1,262
Transferred to / (from) deferred taxation	342	(403)	455	(1,744)
Crystallization of deferred taxation upon depreciation of revalued assets	(21)	(22)	(64)	(66)
	2,491	4,246	11,829	15,621

Tax expense for the current quarter and financial year-to-date ended 30 November 2014 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 lower than the statutory rate mainly due to tax incentive utilized by one of the subsidiary.



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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:-

	Current RM'000	Non-current RM'000
<u>Unsecured:-</u>		
- Term loans	18,474	60,934
- Hire purchase	3,380	7,430
- Bankers' acceptances, trust receipts and other short term loan	74,633	-
- Onshore foreign currency loan	65,391	-
	<u>161,878</u>	<u>68,364</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	18,173	60,796
SGD Dollar	706	1,823
EURO Dollar	1,097	4,595

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 0.6 sen per ordinary share in respect of the financial year ending 28 February 2015 (Previous year corresponding period: 1.0 sen). The third interim dividend will be paid on 16 April 2015 to shareholders whose names appear on the Company's Record of Depositors on 19 March 2015.

The total dividend per share for the current financial year is 2.6 sen single tier dividend per ordinary share of RM 0.20 each (Preceding year corresponding period: 3.4 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-14 RM'000	30-Nov-13 RM'000	30-Nov-14 RM'000	30-Nov-13 RM'000
Net profit attributable to owners of the Company	9,081	12,093	36,058	41,161
Weighted average number of ordinary share in issue ('000)	581,509	538,743	581,509	538,743
Basic earnings per RM0.20 share (sen)	1.56	2.24	6.20	7.64

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.



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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-14 RM'000	Preceding Year Corresponding Quarter 30-Nov-13 RM'000	Current Year To Date 30-Nov-14 RM'000	Preceding Year Corresponding Period 30-Nov-13 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	9,081	12,093	36,058	41,161
Impact on income statement upon conversion of ICULS	32	54	(58)	(806)
	9,113	12,147	36,000	40,355
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	581,509	538,743	581,509	538,743
Adjustment for dilutive effect on conversion of ICULS ('000)	18,354	42,641	18,354	42,641
Adjustment for dilutive effect on Exercise of Warrants ('000)	26,935	29,907	26,935	29,907
Adjustment for dilutive effect on Exercise of ESOS options ('000)	13,246	24,035	13,246	24,035
	640,044	635,326	640,044	635,326
Diluted earnings per RM0.20 share (sen)	1.42	1.91	5.62	6.35



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B11 Share Buy Back

As at end of current quarter, a total of 4,320,300 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 RM 0.62 per share.

B12 Realized and Unrealized Profits / (Losses) disclosure

	As at 30-Nov-14	As at 28-Feb-14
	RM'000	RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	333,789	313,550
- Unrealized	3,924	6,453
	337,713	320,003
Total share of unappropriated profits from associate company:		
- Realized	2,053	2,336
- Unrealized	4	(5)
	2,057	2,331
Total share of unappropriated profits from jointly controlled entity:		
- Realized	399	404
- Unrealized	6	(20)
	405	384
	340,175	322,718
Less: consolidation adjustments	(92,214)	(91,829)
Total Group unappropriated profits	247,961	230,889



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B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 30-Nov-14 RM'000	Financial Year Ended 30-Nov-14 RM'000
Interest income	207	592
Other income including investment income	75	378
Interest expense	(2,059)	(6,397)
Depreciation and amortization	(3,713)	(10,317)
Allowance for impairment and write off of receivables no longer required	1,293	2,344
Allowance for slow moving and write off of inventories	(77)	(347)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	1,924	1,103
Unrealised foreign exchange gain/(loss)	(619)	(1,722)
(Loss)/Gain on derivatives	(48)	8
Exceptional items	-	-

Date: 21st January 2015