



## INTERIM FINANCIAL REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MAY 2015

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/5/2015 RM'000	Preceding Year Corresponding Quarter 31/5/2014 RM'000	Current Year To Date 31/5/2015 RM'000	Preceding Year Corresponding Period 31/5/2014 RM'000
<b>Revenue</b>	<b>138,635</b>	<b>130,678</b>	<b>138,635</b>	<b>130,678</b>
Operating Expenses	(123,686)	(110,634)	(123,686)	(110,634)
Other Operating Income	722	594	722	594
<b>Profit from Operations</b>	<b>15,671</b>	<b>20,638</b>	<b>15,671</b>	<b>20,638</b>
Finance Cost	(2,202)	(2,510)	(2,202)	(2,510)
Share of profit/(loss) in associate company	11	(29)	11	(29)
Share of profit/(loss) in joint venture company	49	(2)	49	(2)
<b>Profit before taxation</b>	<b>13,529</b>	<b>18,097</b>	<b>13,529</b>	<b>18,097</b>
Taxation	(4,405)	(4,514)	(4,405)	(4,514)
<b>Profit for the period</b>	<b>9,124</b>	<b>13,583</b>	<b>9,124</b>	<b>13,583</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	1,694	2,146	1,694	2,146
Realisation of revaluation reserve upon depreciation of revalued asset	6	31	6	31
Transfer of revaluation reserve to unappropriated profit	(6)	(31)	(6)	(31)
Fair value gain/(loss) on cash flow hedge	518	618	518	618
Total comprehensive income for the period	<b>11,336</b>	<b>16,347</b>	<b>11,336</b>	<b>16,347</b>
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the Company	9,124	13,584	9,124	13,584
Non-controlling interest	-	(1)	-	(1)
	<b>9,124</b>	<b>13,583</b>	<b>9,124</b>	<b>13,583</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	11,336	16,348	11,336	16,348
Non-controlling interest	-	(1)	-	(1)
	<b>11,336</b>	<b>16,347</b>	<b>11,336</b>	<b>16,347</b>
<b>Earnings per share</b>				
(a) Basic earnings per RM0.20 share (sen)	<b>1.52</b>	<b>2.39</b>	<b>1.52</b>	<b>2.39</b>
(b) Diluted earnings per RM0.20 share (sen)	<b>1.48</b>	<b>2.12</b>	<b>1.48</b>	<b>2.12</b>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial reports.

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2015**

	31/5/2015 Unaudited	28/02/2015 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, Plant And Equipment	196,276	198,001
Prepaid Land Lease Payments	27,086	27,167
Investment Properties	4,830	4,830
Investment In An Associate Company	2,556	2,545
Investment In A Joint Venture Company	668	608
Capital Work-in-progress	6,678	3,073
Goodwill on Acquisition	1,364	1,364
Deferred Tax Assets	1,541	1,702
	<u>240,999</u>	<u>239,290</u>
<b>Current assets</b>		
Inventories	280,548	289,377
Trade and Other Receivables	158,640	152,420
Amount Due from An Associate Company	15,158	6,212
Derivatives Financial Instruments	2,390	2,394
Fixed Deposits with Licensed Banks	2,299	2,283
Cash and Bank Balances	36,989	55,393
	<u>496,024</u>	<u>508,079</u>
<b>TOTAL ASSETS</b>	<u><b>737,023</b></u>	<u><b>747,369</b></u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	123,294	120,597
Share Application Money	-	7
Share Premium	80,634	74,744
Treasury Shares	(4,406)	(4,139)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	-	4,821
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,898	3,904
Other Reserves	10,753	8,635
Unappropriated Profit	258,535	251,355
<b>Total Equity</b>	<u><b>480,190</b></u>	<u><b>467,406</b></u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	-	764
Long Term Borrowings	56,029	61,199
Other Payables	237	233
Deferred Tax Liabilities	4,524	4,651
	<u>60,790</u>	<u>66,847</u>
<b>Current liabilities</b>		
Trade and Other Payables	40,930	51,447
Overdraft and Short Term Borrowings	151,357	153,802
Amount Due to A Joint Venture Company	490	656
Amount Due to An Associate Company	859	223
Derivative financial instruments	587	1,086
Tax payable	1,820	2,322
Dividend Payable	-	3,580
	<u>196,043</u>	<u>213,116</u>
<b>Total Liabilities</b>	<u><b>256,833</b></u>	<u><b>279,963</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>737,023</b></u>	<u><b>747,369</b></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	<b>0.78</b>	0.78

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial reports.

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

	<b>GROUP 31/5/2015 RM'000</b>	<b>GROUP 31/5/2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>13,529</b>	18,097
Adjustments for:		
Allowance for impairment of receivables	<b>518</b>	-
Inventories written down	-	30
Amortisation of prepaid land lease payments	<b>81</b>	81
Depreciation of property, plant and equipment	<b>3,576</b>	3,236
Interest expense	<b>2,092</b>	2,173
Employees Share Option Scheme expenses	-	2
Interest income	<b>(97)</b>	(201)
Gain on disposal of property, plant and equipment	<b>(38)</b>	(59)
Fair value (gain)/loss on derivatives financial instruments	<b>15</b>	-
Allowance for impairment of receivables no longer required	-	(353)
Unrealised exchange loss/(gain) on foreign exchange	<b>(1,717)</b>	393
Non-cash items	<b>(49)</b>	30
<b>Operating profit before changes in working capital</b>	<b>17,910</b>	23,429
Changes in working capital:-		
Inventories	<b>8,830</b>	(2,425)
Receivables	<b>(6,996)</b>	(5,809)
Payables	<b>(8,829)</b>	286
Associate company	<b>(8,310)</b>	974
Joint Venture Company	<b>(167)</b>	(31)
<b>Cash generated from operations</b>	<b>2,438</b>	16,424
Tax paid	<b>(4,603)</b>	(4,696)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,165)</b>	11,728
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>97</b>	201
Purchase of property, plant and equipment	<b>(1,892)</b>	(2,877)
Proceeds from disposal of property, plant and equipment	<b>76</b>	59
Capital work-in-progress incurred	<b>(3,604)</b>	-
<b>Net cash used in investing activities</b>	<b>(5,323)</b>	(2,617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(3,589)</b>	(5,671)
Proceeds from issuance of share capital	<b>968</b>	1,743
Purchase of treasury shares	<b>(266)</b>	-
Interest paid	<b>(2,637)</b>	(2,081)
Share application money received	-	17
Proceed from/(Repayment of) short-term borrowings	<b>(2,089)</b>	(696)
Drawdown of borrowings	-	145
Repayment of borrowings	<b>(4,981)</b>	(509)
<b>Net cash used in financing activities</b>	<b>(12,594)</b>	(7,052)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(20,082)</b>	2,059
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>1,694</b>	2,146
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>57,676</b>	62,093
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>39,288</b>	66,298

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial reports.



**PANTECH GROUP HOLDINGS BERHAD**

Company No. 733607 W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

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

	Attributable to Owners of the Company											Non-controlling Interest	Total Equity	
	Non-Distributable					Distributable								
	Share Capital	Share Application Money	Share Premium	Treasury Shares	ICULS-Equity component	Warrants Reserve	Revaluation Reserve	Share Option Reserve	Exchange Translation Reserve	Cash Flow Hedge Reserve	Unappropriated Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 28 February 2014</b>	113,909	-	54,160	(1,807)	9,143	7,482	4,028	5,236	4,559	(1,442)	230,889	426,157	73	426,230
<b>Transactions with owners:</b>														
Issuance of shares pursuant to exercise of ESOS	520	17	1,912	-	-	-	-	(688)	-	-	-	1,761	-	1,761
Issuance of shares pursuant to conversion of ICULS	30	-	61	-	(61)	-	-	-	-	-	(18)	12	-	12
Share options granted under ESOS	-	-	-	-	-	-	-	2	-	-	-	2	-	2
<b>Total transactions with owners</b>	<b>550</b>	<b>17</b>	<b>1,973</b>	<b>-</b>	<b>(61)</b>	<b>-</b>	<b>-</b>	<b>(686)</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>1,775</b>	<b>-</b>	<b>1,775</b>
Total comprehensive income for the period	-	-	-	-	-	-	(31)	-	2,146	618	13,615	16,348	(1)	16,347
<b>Balance as at 31 May 2014</b>	<b>114,459</b>	<b>17</b>	<b>56,133</b>	<b>(1,807)</b>	<b>9,082</b>	<b>7,482</b>	<b>3,997</b>	<b>4,550</b>	<b>6,705</b>	<b>(824)</b>	<b>244,486</b>	<b>444,280</b>	<b>72</b>	<b>444,352</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial reports



**PANTECH GROUP HOLDINGS BERHAD**

Company No. 733607 W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

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

	Attributable to Owners of the Company											Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-Distributable						Distributable							
	Share Capital RM'000	Share Application Money RM'000	Share Premium RM'000	Treasury Shares RM'000	ICULS- Equity component RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000			
<b>Balance as at 28 February 2015</b>	120,597	7	74,744	(4,139)	4,821	7,482	3,904	94	7,237	1,304	251,355	467,406	-	467,406
<b>Transactions with owners:</b>														
Issuance of shares pursuant to exercise of ESOS	291	(7)	1,077	-	-	-	-	(94)	-	-	(293)	974	-	974
Issuance of shares pursuant to exercise of Warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to conversion of ICULS	2,406	-	4,813	-	(4,821)	-	-	-	-	-	(1,657)	741	-	741
Acquisition of treasury shares	-	-	-	(267)	-	-	-	-	-	-	-	(267)	-	(267)
<b>Total transactions with owners</b>	<b>2,697</b>	<b>(7)</b>	<b>5,890</b>	<b>(267)</b>	<b>(4,821)</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>-</b>	<b>-</b>	<b>(1,950)</b>	<b>1,448</b>	<b>-</b>	<b>1,448</b>
Total comprehensive income for the period	-	-	-	-	-	-	(6)	-	1,694	518	9,130	11,336	-	11,336
<b>Balance as at 31 May 2015</b>	<b>123,294</b>	<b>-</b>	<b>80,634</b>	<b>(4,406)</b>	<b>-</b>	<b>7,482</b>	<b>3,898</b>	<b>-</b>	<b>8,931</b>	<b>1,822</b>	<b>258,535</b>	<b>480,190</b>	<b>-</b>	<b>480,190</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial reports



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### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

#### **A1 Basis of preparation**

The interim financial statements have been prepared under the historical cost convention except for the revaluation of properties included within property, plant and equipment and investment properties which are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2015.

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

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

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for year ended 28 February 2015, except for adoption of the following new and revised FRSSs, Amendments to FRSSs and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 July 2014:

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

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

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



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## **INTERIM FINANCIAL REPORT**

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

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

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

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

##### MFRS effective on 1 January 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.

### **A3 Audit report of preceding annual financial statement**

The audited financial statements of the Company and its subsidiary companies for the financial year ended 28 February 2015 were not subject to any audit qualification.

### **A4 Seasonal or cyclical factors**

The Group’s business operations were not affected by any seasonal or cyclical factors.



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**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 376,000 ordinary share or 0.06% of its issued share capital from the open market at the average price paid of RM0.71 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 609,827,680 ordinary shares of RM0.20 each.

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

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





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

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

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

#### ii. Number and percentage of voting shares in Pantech, and the number of ESOS Options, ICULS and Warrants held by CTL Capital and the PACs as at the latest practicable date prior to disclosure (20 July 2015);

Parties	Direct		Indirect		No of Warrants	
	No. of Voting Shares	% <sup>(i)</sup>	No. of Voting Shares	% <sup>(i)</sup>	Direct	Indirect
CTL Capital	108,607,143	17.81	-	-	17,346,398	-
GL Management Agency Sdn Bhd	78,292,843	12.84	-	-	12,838,130	-
Dato' Chew Ting Leng ("CTL")	4,500,000	0.74	108,607,143 <sup>(iii)</sup>	17.81	-	17,346,398 <sup>(ii)</sup>
Dato' Goh Teoh Kean ("GTK")	4,500,000	0.74	78,292,843 <sup>(iii)</sup>	12.84	-	12,838,130 <sup>(iii)</sup>
Tan Ang Ang ("TAA")	10,790,000	1.77	1,633,000 <sup>(iv)</sup>	0.27	1,347,240	213,000 <sup>(iv)</sup>
To Tai Wai ("TTW")	13,490,380	2.21	-	-	2,111,880	-
Datin Shum Kah Lin ("SKL")	-	-	113,107,143 <sup>(v)</sup>	18.55	-	17,346,398 <sup>(v)</sup>
Datin Lee Sock Kee ("LSK")	-	-	82,792,843 <sup>(vi)</sup>	13.58	-	12,838,130 <sup>(vi)</sup>
Yong Yui Kiew ("YYK")	1,633,000	0.27	10,790,000 <sup>(vii)</sup>	1.77	213,000	1,347,240 <sup>(vii)</sup>
<b>TOTAL</b>	<b>221,813,366</b>	<b>36.38</b>	<b>-</b>	<b>-</b>	<b>33,856,648</b>	<b>-</b>

#### Notes:-

- (i) Excluding a total of 6,643,800 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, and by virtue of her spouse CTL's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vi) Deemed interested by virtue of her and her spouse, GTK's interests in GL Management pursuant to Section 6A of the Act, and by virtue of her spouse GTK's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vii) Deemed interested by virtue of her spouse TAA's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (viii) ICULS has been fully converted on 6 May 2015.
- (ix) ESOS Option has expired on 2 March 2015.



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

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

Parties	Direct		Indirect	
	No. of voting shares	%	No. of voting shares	%
CTL Capital	125,953,541	19.57	-	-
GL Management	91,130,973	14.16	-	-
CTL	4,500,000	0.70	125,953,541 <sup>(i)</sup>	19.57
GTK	4,500,000	0.70	91,130,973 <sup>(ii)</sup>	14.16
TAA	12,137,240	1.89	1,846,000 <sup>(iii)</sup>	0.29
TTW	15,602,260	2.42	-	-
SKL	-	-	130,453,541 <sup>(iv)</sup>	20.27
LSK	-	-	95,630,973 <sup>(v)</sup>	14.86
YYK	1,846,000	0.29	12,137,240 <sup>(vi)</sup>	1.89
<b>TOTAL</b>	<b>255,670,014</b>	<b>39.73</b>	-	-

**Notes:-**

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



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

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

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

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

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

The ICULS compulsory conversion has been fully exercised and completed on 6 May 2015. 71,953,818 ICULS have been converted to 11,992,027 ordinary shares of RM0.20 each.

### A8 Dividend Paid

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



## INTERIM FINANCIAL REPORT

### A9 Segment Information

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

	<b>Trading of PVF products RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings RM'000</b>	<b>Investment and Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Period Ended 31 May 2015</b>					
<b>Revenue</b>					
External Revenue	81,571	57,064	-	-	138,635
Intersegment revenue	6,186	6,925	633	(13,744)	-
<b>Total revenue</b>	<b>87,757</b>	<b>63,989</b>	<b>633</b>	<b>(13,744)</b>	<b>138,635</b>
<b>Segment Profit</b>	9,572	6,500	(166)	(332)	15,574
Interest income					97
Finance costs					(2,202)
Share of profit of joint venture					49
Share of profit of associate					11
<b>Profit before tax</b>					<b>13,529</b>

	<b>Trading of PVF products RM'000</b>	<b>Manufacturing of pipes &amp; pipe fittings RM'000</b>	<b>Investment and Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Period Ended 31 May 2014</b>					
<b>Revenue</b>					
External Revenue	75,260	55,418	-	-	130,678
Intersegment revenue	5,402	7,804	5,747	(18,953)	-
<b>Total revenue</b>	<b>80,662</b>	<b>63,222</b>	<b>5,747</b>	<b>(18,953)</b>	<b>130,678</b>
<b>Segment Profit</b>	9,710	11,005	5,059	(5,337)	20,437
Interest income					201
Finance costs					(2,510)
Share of loss of joint venture					(2)
Share of loss of associate					(29)
<b>Profit before tax</b>					<b>18,097</b>

\* PVF : Represents pipes, valves and fittings.



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## INTERIM FINANCIAL REPORT

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### A9 Segment Information (Cont'd)

Analysis of the Group's revenue by geographical segments:

	Revenue	
	-- 3 months ended 31 May 2015 --	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	138,872	132,366
Generated by overseas operation	13,507	17,265
	152,379	149,631
Inter-segments elimination	(13,744)	(18,953)
	138,635	130,678

### 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

There were no changes in the composition of the Group during the quarter under review.

### A13 Contingent liabilities

As at the date of this announcement, there were no material contingent liabilities incurred by the Group which, upon crystallization would have a material impact on the financial position and business of the Group.

The Company has provided the following corporate guarantees to financial institutions and suppliers for credit facilities granted to its subsidiaries:-

	<b>31 May 2015</b>
	<b>RM'000</b>
Corporate guarantees	<u>687,236</u> *

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



## **INTERIM FINANCIAL REPORT**

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**A14 Capital Commitments**

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

	<b>RM'000</b>
Approved and contracted for	<u>2,884</u>



## INTERIM FINANCIAL REPORT

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

#### B1 Review of Performance

<b>Business Segment</b>	<b>Revenue</b>		<b>Revenue</b>	
	<b>Current Quarter</b>		<b>3 months to</b>	
	<b>31-May-2015</b>	<b>31-May-2014</b>	<b>31- May-2015</b>	<b>31- May-2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	81,571	75,260	81,571	75,260
Manufacturing	57,064	55,418	57,064	55,418
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	<b>138,635</b>	<b>130,678</b>	<b>138,635</b>	<b>130,678</b>

<b>Business Segment</b>	<b>Profit Before Taxation</b>		<b>Profit Before Taxation</b>	
	<b>Current Quarter</b>		<b>3 months to</b>	
	<b>31-May-2015</b>	<b>31-May-2014</b>	<b>31-May-2015</b>	<b>31-May-2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	8,075	8,454	8,075	8,454
Manufacturing	6,349	10,729	6,349	10,729
Investment and Management	(895)	(1,086)	(895)	(1,086)
<b>Consolidated Total</b>	<b>13,529</b>	<b>18,097</b>	<b>13,529</b>	<b>18,097</b>

#### Trading Division

For the current quarter ended 31 May 2015, the trading division recorded a higher external revenue of RM81.57 million (Q1FY15: RM75.26 million) but a lower segment profit before tax of RM8.08 million (Q1FY15: RM8.45 million), an increase of approximately 8% and a decrease of approximately 4% respectively.

The higher revenue for the current quarter is mainly due to better demand and delivery in local oil and gas sector, while competitive pricing has caused lower profit before tax.



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## **INTERIM FINANCIAL REPORT**

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

#### **Manufacturing Division**

For the current quarter ended 31 May 2015, the manufacturing division recorded a higher external revenue of RM57.06 million (Q1FY15: RM55.42 million) but a lower segment profit before tax of RM6.35 million (Q1FY15: RM10.73 million), an increase of approximately 3% and a decrease of approximately 41% respectively.

The higher sales are mainly due to higher contribution from local manufacturing division. However the lower profit before tax was due to competitive pricing in international export market.

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

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

#### **Group Performance**

For the current quarter ended 31 May 2015, the Group registered a higher revenue of RM138.64 million (Q1FY15: RM130.68 million) but a lower profit before taxation of RM13.53 million (Q1FY15: RM18.10 million). The stronger sales performance of the Group is mainly due to trading division has better demand and delivery in local oil and gas sector.

Despite the better sales performance of the Group, the Group has registered a lower profit after taxation for the current quarter ended 31 May 2015 of RM9.12 million (Q1FY15: RM13.58 million). This is mainly due to competitive pricing faced by the Group both locally and overseas.

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

In the current quarter under review, the Group reported a higher revenue of RM138.64 million compared to RM129.67 million of the preceding quarter, and a higher profit after taxation of RM9.12 million compared to preceding quarter of RM7.09 million due mainly to better contribution from higher trading division sales.

### **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.

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.





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## INTERIM FINANCIAL REPORT

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**B3 Prospects (Cont'd)**

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

**B4 Variance on Profit Forecast/Profit Guarantee**

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

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	<b>31-May-15</b>	31-May-14	<b>31-May-15</b>	31-May-14
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Current taxation	<b>4,165</b>	4,516	<b>4,165</b>	4,516
Transferred from / (to) deferred tax assets	-	2	-	2
Transferred to / (from) deferred taxation	<b>261</b>	15	<b>261</b>	15
Crystallization of deferred taxation upon depreciation of revalued assets	<b>(21)</b>	(19)	<b>(21)</b>	(19)
	<b>4,405</b>	4,514	<b>4,405</b>	4,514

Tax expense for the current quarter and financial year-to-date ended 31 May 2015 is derived based on the management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is higher than the statutory rate, mainly due to certain expenses are not deductible for tax purposes.



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## INTERIM FINANCIAL REPORT

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**B6 Status of corporate proposals**

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

**B7 Group borrowings and debt securities**

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

	<b>Current RM'000</b>	<b>Non-current RM'000</b>
<u>Unsecured:-</u>		
- Term loans	19,796	50,391
- Hire purchase	3,704	5,638
- Bankers' acceptances, trust receipts and other short term loan	95,305	-
- Onshore foreign currency loan	32,552	-
	<u>151,357</u>	<u>56,029</u>

Foreign currency borrowings included above:

	<b>Foreign Currency '000</b>	<b>RM Equivalent '000</b>
US Dollar	7,195	25,927
SGD Dollar	676	1,824
GBP Pound	1,187	6,626
	<u>1,187</u>	<u>6,626</u>

**B8 Material Litigation**

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

**B9 Dividends**

The Board of directors has approved and declared a first 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: 1.0 sen). The first interim dividend will be paid on 22 October 2015 to shareholders whose names appear on the Company's Record of Depositors on 7 October 2015.

The total dividend per share for the current financial year is 0.5 sen single tier dividend per ordinary share of RM 0.20 each. (Preceding year corresponding period: 1.0 sen).



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## INTERIM FINANCIAL REPORT

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### B10 Earnings Per Share

#### a) Basic Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-May-15	31-May-14	31-May-15	31-May-14
	RM'000	RM'000	RM'000	RM'000
<b>Net profit attributable to owners of the Company</b>	<b>9,124</b>	13,584	<b>9,124</b>	13,584
Weighted average number of ordinary share in issue ('000)	<b>602,126</b>	568,124	<b>602,126</b>	568,124
<b>Basic earnings per RM0.20 share (sen)</b>	<b>1.52</b>	2.39	<b>1.52</b>	2.39

#### 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.



## INTERIM FINANCIAL REPORT

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-15 RM'000	Preceding Year Corresponding Quarter 31-May-14 RM'000	Current Year To Date 31-May-15 RM'000	Preceding Year Corresponding Period 31-May-14 RM'000
<b>Adjusted net profit for the period attributable to owners of the Company:</b>				
Net profit attributable to owners of the Company	9,124	13,584	9,124	13,584
Impact on income statement upon conversion of ICULS	-	52	-	52
	<b>9,124</b>	13,636	<b>9,124</b>	13,636
<b>Adjusted weighted average number of shares ('000):</b>				
Weighted average number of ordinary share in issue ('000)	602,126	568,124	602,126	568,124
Adjustment for dilutive effect on conversion of ICULS ('000)	-	22,717	-	22,717
Adjustment for dilutive effect on Exercise of Warrants ('000)	12,832	29,474	12,832	29,474
Adjustment for dilutive effect on Exercise of ESOS options ('000)	-	22,494	-	22,494
	<b>614,958</b>	642,809	<b>614,958</b>	642,809
<b>Diluted earnings per RM0.20 share (sen)</b>	<b>1.48</b>	2.12	<b>1.48</b>	2.12



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## INTERIM FINANCIAL REPORT

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### B11 Share Buy Back

As at end of current quarter, a total of 6,643,800 ordinary shares of RM0.20 each were retained as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. The average price paid for the shares repurchased was RM0.66 per share.

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

	As at 31-May-15	As at 28-Feb-15
	RM'000	RM'000
<b>Total unappropriated profits of Pantech and its subsidiaries:</b>		
- Realized	342,607	338,520
- Unrealized	6,145	2,740
	348,752	341,260
<b>Total share of unappropriated profits from associate company:</b>		
- Realized	2,113	2,261
- Unrealized	23	(5)
	2,136	2,256
<b>Total share of unappropriated profits from jointly controlled entity:</b>		
- Realized	491	453
- Unrealized	16	(5)
	507	448
	351,395	343,964
<b>Less: consolidation adjustments</b>	(92,860)	(92,609)
<b>Total Group unappropriated profits</b>	258,535	251,355



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## INTERIM FINANCIAL REPORT

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

	<b>Quarter Ended 28-Feb-15 RM'000</b>	<b>Financial Year Ended 28-Feb-15 RM'000</b>
Interest income	97	97
Other income including investment income	159	159
Interest expense	(2,092)	(2,092)
Depreciation and amortization	(3,657)	(3,657)
Allowance for impairment and write off of receivables	(518)	(518)
Allowance for slow moving and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	(1,971)	(1,971)
Unrealised foreign exchange gain/(loss)	1,717	1,717
(Loss)/Gain on derivatives	(15)	(15)
Exceptional items	-	-

**Date: 23<sup>rd</sup> July 2015**