



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 29 FEBRUARY 2016**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 29/02/2016 RM'000	Preceding Year Corresponding Quarter 28/02/2015 RM'000	Current Year To Date 29/02/2016 RM'000	Preceding Year Corresponding Period 28/02/2015 RM'000
Revenue	109,094	129,675	513,148	525,772
Operating Expenses	(99,293)	(125,351)	(462,037)	(467,174)
Other Operating Income	3,295	8,616	10,530	9,827
Profit from Operations	13,096	12,940	61,641	68,425
Finance Cost	(1,755)	(2,219)	(8,360)	(9,697)
Share of (loss)/profit in associate company	(188)	68	(311)	(74)
Share of profit in joint venture company	5	26	105	48
Profit before taxation	11,158	10,815	53,075	58,702
Taxation	(3,758)	(3,721)	(15,029)	(15,550)
Profit for the period	7,400	7,094	38,046	43,152
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	(6,365)	2,549	7,553	2,677
Realisation of revaluation reserve upon depreciation of revalued asset	129	30	190	123
Transfer of revaluation reserve to unappropriated profit	(129)	(30)	(190)	(123)
Fair value gain on cash flow hedge	2,045	2,051	2,038	2,746
Total comprehensive income for the period	3,080	11,694	47,637	48,575
Profit for the period attributable to:				
Owners of the Company	7,427	7,094	38,073	43,152
Non-controlling interest	(27)	-	(27)	-
	7,400	7,094	38,046	43,152
Total comprehensive income for the period attributable to:				
Owners of the Company	3,107	11,694	47,664	48,575
Non-controlling interest	(27)	-	(27)	-
	3,080	11,694	47,637	48,575
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.22	1.21	6.25	7.38
(b) Diluted earnings per RM0.20 share (sen)	1.22	1.13	6.25	6.85

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 29 FEBRUARY 2016**

	29/02/2016 Unaudited	28/02/2015 Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	201,219	198,001
Prepaid Land Lease Payments	26,844	27,167
Investment Properties	6,500	4,830
Investment In An Associate Company	2,234	2,545
Investment In A Joint Venture Company	792	608
Capital Work-in-progress	10,971	3,073
Goodwill on Acquisition	1,364	1,364
Deferred Tax Assets	1,417	1,702
	<u>251,341</u>	<u>239,290</u>
Current Assets		
Inventories	253,137	289,377
Trade and Other Receivables	119,115	152,420
Amount Due from An Associate Company	17,443	6,212
Derivatives Financial Instruments	4,076	2,394
Fixed Deposits with Licensed Banks	2,352	2,283
Cash and Bank Balances	74,731	55,393
	<u>470,854</u>	<u>508,079</u>
TOTAL ASSETS	<u>722,195</u>	<u>747,369</u>
EQUITY AND LIABILITIES		
Share Capital	123,294	120,597
Share Application Money	-	7
Share Premium	80,634	74,744
Treasury Shares	(2,949)	(4,139)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	-	4,821
Warrants Reserve	7,482	7,482
Revaluation Reserve	12,672	3,904
Other Reserves	18,132	8,635
Unappropriated Profit	270,810	251,355
Equity attributable to owners of the Parent	<u>510,075</u>	<u>467,406</u>
Non-Controlling Interest	(27)	-
Total Equity	<u>510,048</u>	<u>467,406</u>
Non-Current Liabilities		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	-	764
Long Term Borrowings	40,355	61,199
Other Payables	260	233
Deferred Tax Liabilities	6,985	4,651
	<u>47,600</u>	<u>66,847</u>
Current Liabilities		
Trade and Other Payables	37,946	51,447
Overdraft and Short Term Borrowings	119,410	153,802
Amount Due to A Joint Venture Company	798	656
Amount Due to An Associate Company	288	223
Derivative Financial Instruments	727	1,086
Tax Payable	2,320	2,322
Dividend Payable	3,058	3,580
	<u>164,547</u>	<u>213,116</u>
Total Liabilities	<u>212,147</u>	<u>279,963</u>
TOTAL EQUITY AND LIABILITIES	<u>722,195</u>	<u>747,369</u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.83	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.



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 FEBRUARY 2016

	GROUP 29/02/2016 RM'000	GROUP 28/02/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	53,075	58,702
Adjustments for:		
Allowance for impairment of receivables	141	3,181
Allowance for impairment of receivables no longer required	(568)	(4,613)
(Reversal of)/allowance for slow moving inventories	(1,309)	1,671
Amortisation of prepaid land lease payments	323	323
Depreciation of property, plant and equipment	14,520	13,629
Interest expense	7,102	8,698
Bad debts written off	372	109
Employees Share Option Scheme expenses	-	480
Interest income	(374)	(446)
Loss/(gain) on disposal of property, plant and equipment	437	(221)
Fair value gain on derivatives financial instruments	(2)	(13)
Fair value gain adjustment on investment properties	(1,670)	-
Unrealised exchange (gain)/loss on foreign exchange	(1,707)	1,977
Non-cash items	228	83
Operating profit before changes in working capital	70,568	83,560
Changes in working capital:-		
Inventories	37,549	(39,841)
Receivables	29,669	(19,563)
Payables	(11,789)	5,160
Associate company	(11,166)	4,558
Joint Venture Company	142	63
Cash generated from operations	114,973	33,937
Tax paid	(14,410)	(17,473)
Net cash generated from operating activities	100,563	16,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	374	446
Purchase of property, plant and equipment	(6,743)	(11,025)
Proceeds from disposal of property, plant and equipment	8,139	356
Capital work-in-progress incurred	(12,745)	(3,186)
Payment to non-controlling interest	-	(74)
Purchase of prepaid land lease payment	-	(2,391)
Net cash used in investing activities	(10,975)	(15,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(13,392)	(23,558)
Proceeds from issuance of share capital	968	15,179
Purchase of treasury shares	(2,793)	(2,333)
Interest paid	(7,328)	(9,967)
Share application money received	-	8
(Repayment of)/proceed from short-term borrowings	(32,240)	21,259
Drawdown of borrowings	-	16,590
Repayment of borrowings	(22,770)	(22,196)
Net cash used in financing activities	(77,555)	(5,018)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,033	(4,428)
EFFECT OF EXCHANGE RATE CHANGES	7,374	11
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	57,676	62,093
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	77,083	57,676

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 28 FEBRUARY 2015

	Attributable to Owners of the Company											Total	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	RM'000	RM'000	RM'000
Balance as at 1 March 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	4,530	7	16,269	-	-	-	-	(5,622)	-	-	-	15,184	-	15,184
Issuance of shares pursuant to exercise of Warrants	1	-	1	-	-	@	-	-	-	-	-	2	-	2
Issuance of shares pursuant to conversion of ICULS	2,157	-	4,314	-	(4,322)	-	-	-	-	-	(1,340)	809	-	809
Acquisition of remaining non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(2)	(2)	(73)	(75)
Acquisition of treasury shares	-	-	-	(2,332)	-	-	-	-	-	-	-	(2,332)	-	(2,332)
Share options granted under ESOS	-	-	-	-	-	-	-	480	-	-	-	480	-	480
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,962)	(5,962)	-	(5,962)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,973)	(5,973)	-	(5,973)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(5,952)	(5,952)	-	(5,952)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,580)	(3,580)	-	(3,580)
Total transactions with owners	6,688	7	20,584	(2,332)	(4,322)	@	-	(5,142)	-	-	(22,809)	(7,326)	(73)	(7,399)
Total comprehensive income for the period	-	-	-	-	-	-	(124)	-	2,678	2,746	43,275	48,575	-	48,575
Balance as at 28 February 2015	120,597	7	74,744	(4,139)	4,821	7,482	3,904	94	7,237	1,304	251,355	467,406	-	467,406

Note: @ RM 266.00

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

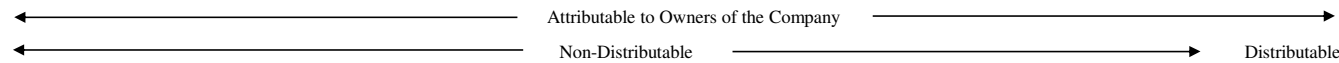


PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 FEBRUARY 2016 (Continued)



	Share Capital RM'000	Share Application Money RM'000	Share Premium RM'000	Treasury Shares RM'000	ICULS- Equity component RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Unappropriated Profits RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 March 2015	120,597	7	74,744	(4,139)	4,821	7,482	3,904	94	7,237	1,304	251,355	467,406	-	467,406
Transactions with owners:														
Issuance of shares pursuant to exercise of ESOS	291	(7)	1,077	-	-	-	-	(94)	-	-	(299)	968	-	968
Issuance of shares pursuant to conversion of ICULS	2,406	-	4,813	-	(4,821)	-	-	-	-	-	(1,665)	733	-	733
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	#	-
Acquisition of treasury shares	-	-	-	(2,794)	-	-	-	-	-	-	-	(2,794)	-	(2,794)
Revaluation surplus on Properties	-	-	-	-	-	-	8,958	-	-	-	-	8,958	-	8,958
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,048)	(3,048)	-	(3,048)
Final share dividend distributed to Shareholders	-	-	-	3,984	-	-	-	-	-	-	(3,984)	-	-	-
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,075)	(3,075)	-	(3,075)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,679)	(3,679)	-	(3,679)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	-	(3,058)	(3,058)	-	(3,058)
Total transactions with owners	2,697	(7)	5,890	1,190	(4,821)	-	8,958	(94)	-	-	(18,808)	(4,995)	#	(4,995)
Total comprehensive income for the period	-	-	-	-	-	-	(190)	-	7,553	2,038	38,263	47,664	(27)	47,637
Balance as at 29 February 2016	123,294	-	80,634	(2,949)	-	7,482	12,672	-	14,790	3,342	270,810	510,075	(27)	510,048

Note: # RM 49.00

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



INTERIM FINANCIAL REPORT

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:



INTERIM FINANCIAL REPORT

A2 Summary of Significant Accounting Policies (continued)

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

MFRS and Amendments to MFRSs effective 1 January 2016 :

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

MFRS and Amendments to MFRS effective 1 January 2018 :

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

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

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

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



INTERIM FINANCIAL REPORT

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.

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 4,595,100 ordinary share or 0.75% of its issued share capital from the open market at the average price paid of RM0.61 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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

As at the end of financial year-to-date under review, the number of ordinary shares in issue after deducting treasury shares against equity is 611,705,020 ordinary shares of RM0.20 each.



INTERIM FINANCIAL REPORT

A7 Debt and Equity Securities (continued)

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

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

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

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

ii. Number and percentage of voting shares in Pantech, and the number of ESOS Options, ICULS and Warrants held by CTL Capital and the PACs as at the latest practicable date prior to disclosure (18 April 2016);

Parties	Direct		Indirect		No of Warrants	
	No. of Voting Shares	% ⁽ⁱ⁾	No. of Voting Shares	% ⁽ⁱ⁾	Direct	Indirect
CTL Capital	109,693,214	17.93	-	-	17,346,398	-
GL Management Agency Sdn Bhd	79,075,770	12.93	-	-	12,838,130	-
Dato' Chew Ting Leng (“CTL”)	4,545,000	0.74	109,693,214 ⁽ⁱⁱ⁾	17.93	-	17,346,398 ⁽ⁱⁱ⁾
Dato' Goh Teoh Kean (“GTK”)	4,545,000	0.74	79,075,770 ⁽ⁱⁱⁱ⁾	12.93	-	12,838,130 ⁽ⁱⁱⁱ⁾
Tan Ang Ang (“TAA”)	10,897,900	1.78	1,649,330 ^(iv)	0.27	1,347,240	213,000 ^(iv)
To Tai Wai (“TTW”)	13,625,283	2.23	-	-	2,111,880	-
Datin Shum Kah Lin (“SKL”)	-	-	114,238,214 ^(v)	18.67	-	17,346,398 ^(v)
Datin Lee Sock Kee (“LSK”)	-	-	83,620,770 ^(vi)	13.67	-	12,838,130 ^(vi)
Yong Yui Kiew (“YYK”)	1,649,330	0.27	10,897,900 ^(vii)	1.78	213,000	1,347,240 ^(vii)
TOTAL	224,031,497	36.62	-	-	33,856,648	-



INTERIM FINANCIAL REPORT

A7 Debt and Equity Securities (continued)

Notes:-

- (i) Excluding a total of 4,766,460 treasury shares
- (ii) Deemed interested by virtue of his and his spouse SKL's interests in CTL Capital pursuant to Section 6A of the Companies Act, 1965 ("Act").
- (iii) Deemed interested by virtue of his and his spouse LSK's interests in GL Management Agency Sdn Bhd ("GL Management") pursuant to Section 6A of the Act.
- (iv) Deemed interested by virtue of his spouse YYK's direct shareholding in the Company pursuant to Section 134(12) of the Act
- (v) Deemed interested by virtue of her and her spouse, CTL's interests in CTL Capital pursuant to Section 6A of the Act, and by virtue of her spouse CTL's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vi) Deemed interested by virtue of her and her spouse, GTK's interests in GL Management pursuant to Section 6A of the Act, and by virtue of her spouse GTK's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (vii) Deemed interested by virtue of her spouse TAA's direct shareholding in the Company pursuant to Section 134(12) of the Act.
- (viii) ICULS has been fully converted on 6 May 2015.
- (ix) ESOS Option has expired on 2 March 2015.

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

Parties	Direct		Indirect	
	No. of voting shares	%	No. of voting shares	%
CTL Capital	127,039,612	19.68	-	-
GL Management	91,913,900	14.24	-	-
CTL	4,545,000	0.70	127,039,612 ⁽ⁱ⁾	19.68
GTK	4,545,000	0.70	91,913,900 ⁽ⁱⁱ⁾	14.24
TAA	12,245,140	1.90	1,862,330 ⁽ⁱⁱⁱ⁾	0.29
TTW	15,737,163	2.44	-	-
SKL	-	-	131,584,612 ^(iv)	20.38
LSK	-	-	96,458,900 ^(v)	14.94
YYK	1,862,330	0.29	12,245,140 ^(vi)	1.90
TOTAL	257,888,145	39.95	-	-

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.



INTERIM FINANCIAL REPORT

A7 Debt and Equity Securities (continued)

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

A8 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
Second interim dividend in respect of financial year ended 29 February 2016, paid on 14 January 2016 Single tier dividend of 0.6 sen per ordinary share of RM0.20	3,679	-
First interim dividend in respect of financial year ended 29 February 2016, paid on 22 October 2015 Single tier dividend of 0.5 sen per ordinary share of RM0.20	3,075	-
Final dividend in respect of financial year ended 28 February 2015, paid on 18 September 2015 i) Single tier dividend of 0.5 sen per ordinary share of RM0.20 ii) Share dividend via distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares of RM0.20 each	3,048 3,984	-
Third interim dividend in respect of financial year ended 28 February 2015, paid on 16 April 2015 Single tier dividend of 0.6 sen per ordinary share of RM0.20	3,589	
Second interim dividend in respect of financial year ended 28 February 2015, paid on 15 January 2015 Single tier dividend of 1.0 sen per ordinary share of RM0.20	-	5,952
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
	17,375	23,558

Subsequent to the interim financial period ended 29 February 2016, the Company had on 15 April 2016 paid a third interim single tier dividend of 0.5 sen per ordinary share of RM0.20 each in respect of financial year ended 29 February 2016 amounting to RM3.06 million.



INTERIM FINANCIAL REPORT

A9 Segment Information

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

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Year Ended 29 February 2016					
Revenue					
External Revenue	317,374	195,774	-	-	513,148
Intersegment revenue	33,611	29,189	16,584	(79,384)	-
Total revenue	350,985	224,963	16,584	(79,384)	513,148
Segment Profit	30,099	27,713	15,058	(11,603)	61,267
Interest income					374
Finance costs					(8,360)
Share of profit of joint venture					105
Share of loss of associate					(311)
Profit before tax					53,075

	Trading of PVF products RM'000	Manufacturing of pipes & pipe fittings RM'000	Investment and Management RM'000	Elimination RM'000	Total RM'000
Year Ended 28 February 2015					
Revenue					
External Revenue	298,040	227,732	-	-	525,772
Intersegment revenue	28,638	38,116	28,644	(95,398)	-
Total revenue	326,678	265,848	28,644	(95,398)	525,772
Segment Profit	31,026	40,084	25,622	(28,753)	67,979
Interest income					446
Finance costs					(9,697)
Share of profit of joint venture					48
Share of loss of associate					(74)
Profit before tax					58,702

* PVF: Represents pipes, valves and fittings.



INTERIM FINANCIAL REPORT

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	535,435	526,438
Generated by overseas operation	57,097	94,732
	592,532	621,170
Inter-segments elimination	(79,384)	(95,398)
	513,148	525,772

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.

During the quarter under review, a revaluation exercise was carried out for land and buildings of the Group. The resulting revaluation surplus and deficit has been accounted into the financial statements of the Group as at 29 February 2016.

A11 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current financial quarter to date of this announcement, which is likely to substantially affect the results and the operations of the Group.

A12 Changes in the Composition of the Group

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

On 13 April 2016, the Company subscribed for an additional 10,199,949 ordinary shares of RM1.00 each in PGSB for RM10,199,949. Following the subscription, the Company's effective interest in PGSB remained at 51%.

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.



INTERIM FINANCIAL REPORT

A13 Contingent Liabilities (continued)

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

	29 February 2016
	RM'000
Corporate guarantees	<u>722,235</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 29 February 2016 are as follows:

	29 February 2016
	RM'000
Approved and contracted for	<u>3,609</u>



INTERIM FINANCIAL REPORT

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

B1 Review of Performance

	Revenue		Revenue	
	Current Quarter		12 months to	
	29-Feb-2016	28-Feb-2015	29-Feb-2016	28-Feb-2015
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	64,695	71,435	317,374	298,040
Manufacturing	44,399	58,240	195,774	227,732
Investment and Management	-	-	-	-
Consolidated Total	109,094	129,675	513,148	525,772

	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		12 months to	
	29-Feb-2016	28-Feb-2015	29-Feb-2016	28-Feb-2015
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	4,647	4,102	28,535	26,941
Manufacturing	6,575	7,162	27,268	36,126
Investment and Management	(64)	(449)	(2,728)	(4,365)
Consolidated Total	11,158	10,815	53,075	58,702

Trading Division

For the current quarter ended 29 February 2016, the trading division recorded a lower external revenue of RM64.69 million (Q4FY15: RM71.43 million) and a comparable segment profit before tax of RM4.65 million (Q4FY15: RM4.10 million), a decrease in revenue of approximately RM6.74 million (9.44%).

The lower revenue for the current quarter is mainly due to the lower sales demand from overseas operation. Despite lower revenue, a comparable profit before tax is achieved mainly due to lower operating expenses arising from the reversal of the allowance for slow moving debts.

For the 12 months ended 29 February 2016, the trading division recorded a higher external revenue of RM317.37 million (12 months FY15: RM298.04 million) and a higher segment profit before tax of RM28.53 million (12 months FY15: RM26.94 million), an increase of approximately RM19.33 million (6.49%) and RM1.59 million (5.92%) respectively.



INTERIM FINANCIAL REPORT

B1 Review of Performance (continued)

Trading Division (continued)

The trading division has recorded a higher revenue and segment profit before tax for the 12 months ended 29 February 2016 due to improved demand in downstream oil and gas projects, namely RAPID.

Manufacturing Division

For the current quarter ended 29 February 2016, the manufacturing division recorded a lower external revenue of RM44.40 million (Q4FY15: RM58.24 million) and a lower segment profit before tax of RM6.57 million (Q4FY15: RM7.16 million), a decrease of approximately RM13.84 million (23.77%) and RM0.59 million (8.20%) respectively.

For the 12 months ended 29 February 2016, the manufacturing division recorded a lower external revenue of RM195.77 million (12 months FY15: RM227.73 million) and a lower segment profit before tax of RM27.27 million (12 months FY15: RM36.13 million), a decrease of approximately RM31.96 million (14.03%) and RM8.86 million (24.52%).

The lower revenue and segment profit before tax for the current quarter and the 12 months ended 29 February 2016 were mainly due to decrease in manufacturing division output caused by the decrease in global sales demand.

Investment and Management Division

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

Group Performance

For the current quarter ended 29 February 2016, the Group registered a lower revenue of RM109.09 million (Q4FY15: RM129.68 million) due to lower sales demand from overseas operation and local manufacturing division. Despite weaker sales performance, a higher profit before tax of RM11.16 million (Q4FY15: RM10.82 million) is achieved due to the lower operating expenses arising from the reversal of allowance for slow moving debts and inventories.

For the 12 months ended 29 February 2016, the Group registered lower revenue of RM513.15 million (12 months FY15: RM525.77 million) and lower profit before tax of RM53.08 million (12 months FY15: RM58.7 million). The weaker performance was mainly due to the lower contribution from manufacturing division arising from weaker demand from oil and gas sector, partly offset by the improved performance from trading division arising from the RAPID projects.

B2 Variation of Results against Preceding Quarter

In the current quarter under review, the Group reported a lower revenue of RM109.09 million compared to the preceding quarter of RM144.01 million, and a lower profit after taxation of RM7.4 million compared to preceding quarter of RM11.10 million which was mainly due to the higher delivery for RAPID projects from trading division in the preceding quarter.



INTERIM FINANCIAL REPORT

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, the Group is aware of the short term challenges in the oil and gas industries but is of the view that the long term outlook of the Group continues to be positive.

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

B4 Variance on Profit Forecast/Profit Guarantee

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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 29-Feb-16 RM'000	Preceding Year Corresponding Quarter 28-Feb-15 RM'000	Current Year To Date 29-Feb-16 RM'000	Preceding Year Corresponding Period 28-Feb-2015 RM'000
Current taxation	3,880	3,537	15,135	14,896
Over provision of taxation in prior year	(378)	(418)	(378)	(606)
Transferred from deferred tax assets	-	452	191	719
Transferred to deferred Tax liabilities	271	127	113	582
Crystallization of deferred taxation upon depreciation of revalued assets	(15)	23	(32)	(41)
	3,758	3,721	15,029	15,550

Tax expense for the current quarter and financial year-to-date ended 29 February 2016 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.



INTERIM FINANCIAL REPORT

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	18,181	36,710
- Hire purchase	3,522	3,645
- Bankers' acceptances, trust receipts and other short term loan	64,161	-
- Onshore foreign currency loan	33,546	-
	<u>119,410</u>	<u>40,355</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	7,760	32,481
SGD Dollar	89	264
GBP Pound	296	1,773

B8 Material Litigation

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

B9 Dividends

The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting a final single tier dividend of 0.5 sen per ordinary shares of RM0.20 each. The details of the entitlement date for the cash dividend will be announced later.

The final dividend for the previous financial year ended 28 February 2015 was a single tier dividend of 0.5 sen per ordinary shares and a share dividend distribution of 6,096,440 treasury shares on the basis of 1 treasury share for every 100 existing shares of RM0.20 each.



INTERIM FINANCIAL REPORT

B9 Dividends (continued)

The total dividend per share for the current financial year is 2.1 sen single tier dividend per ordinary share of RM 0.20 each. (2015: 3.1 sen single tier dividend per ordinary shares of RM 0.20 each and a share dividend via a distribution of treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares of RM0.20 each).

B10 Earnings per Share

a) Basic Earnings per Share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	29-Feb-16 RM'000	28-Feb-15 RM'000	29-Feb-16 RM'000	28-Feb-15 RM'000
Net profit attributable to owners of the Company	7,427	7,094	38,073	43,152
Weighted average number of ordinary share in issue ('000)	609,063	585,064	609,063	585,064
Basic earnings per RM0.20 share (sen)	1.22	1.21	6.25	7.38

b) Diluted Earnings per Share

The Diluted Earnings per Share is calculated by dividing the profit attributable to the owners of the Company on the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is the same as basic earnings per share for the current period as there is no potential dilutive effect of ordinary shares that would be issued upon exercise of warrants.



INTERIM FINANCIAL REPORT

B10 Earnings per Share (continued)

b) Diluted Earnings per Share (continued)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 29-Feb-16 RM'000	Preceding Year Corresponding Quarter 28-Feb-15 RM'000	Current Year To Date 29-Feb-16 RM'000	Preceding Year Corresponding Period 28-Feb-15 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	7,427	7,094	38,073	43,152
Impact on income statement upon conversion of ICULS	-	19	-	(39)
	7,427	7,113	38,073	43,113
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	609,063	585,064	609,063	585,064
Adjustment for dilutive effect on conversion of ICULS ('000)	-	16,898	-	16,898
Adjustment for dilutive effect on Exercise of Warrants ('000)	-	16,754	-	16,754
Adjustment for dilutive effect on Exercise of ESOS options ('000)	-	10,518	-	10,518
	609,063	629,234	609,063	629,234
Diluted earnings per RM0.20 share (sen)	1.22	1.13	6.25	6.85



INTERIM FINANCIAL REPORT

B11 Share Buy Back

As at end of current quarter, a total of 4,766,460 ordinary shares of RM0.20 each were retained as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. The average price paid for the shares repurchased was RM0.63 per share.

B12 Realized and Unrealized Profits / (Losses) Disclosure

	As at 29-Feb-16	As at 28-Feb-15
	RM'000	RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	355,794	338,520
- Unrealized	2,237	2,740
	358,031	341,260
Total share of unappropriated profits from associate company:		
- Realized	1,823	2,261
- Unrealized	(10)	(5)
	1,813	2,256
Total share of unappropriated profits from jointly controlled entity:		
- Realized	651	453
- Unrealized	(19)	(5)
	632	448
	360,476	343,964
Less: consolidation adjustments	(89,666)	(92,609)
Total Group unappropriated profits	270,810	251,355



INTERIM FINANCIAL REPORT

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 29-Feb-16 RM'000	Financial Year Ended 29-Feb-16 RM'000
Interest income	110	374
Other income including investment income	174	581
Interest expense	(1,420)	(7,102)
Depreciation and amortization	(3,736)	(14,843)
Allowance for impairment and write off of receivables	1,795	55
Allowance for slow moving and write off of inventories	2,220	1,309
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	-
Loss on disposal of property, plant and equipment	(437)	(437)
Impairment of assets	(101)	(101)
Fair value gain on investment properties	1,670	1,670
Realised foreign exchange (loss)/gain	(179)	2,095
Unrealised foreign exchange (loss)/gain	(2,299)	1,707
Gain on derivatives	2,045	2,038
Exceptional items	-	-

Date: 26th April 2016