



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 30 NOVEMBER 2012**

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2012 RM'000	Preceding Year Corresponding Quarter 30/11/2011 RM'000	Current Year To Date 30/11/2012 RM'000	Preceding Year Corresponding Period 30/11/2011 RM'000
<b>Revenue</b>	<b>171,520</b>	<b>112,652</b>	<b>480,865</b>	<b>308,580</b>
Operating Expenses	(148,889)	(97,086)	(413,873)	(271,950)
Other Operating Income	1,488	1,033	3,426	2,870
<b>Profit from Operations</b>	<b>24,119</b>	<b>16,599</b>	<b>70,418</b>	<b>39,500</b>
Finance Cost	(2,968)	(2,256)	(9,579)	(6,477)
Share of profit in associate company	(276)	77	581	381
Share of profit in joint venture company	3	(8)	41	26
<b>Profit before taxation</b>	<b>20,878</b>	<b>14,412</b>	<b>61,461</b>	<b>33,430</b>
Taxation	(5,265)	(4,072)	(19,082)	(9,611)
<b>Profit for the period</b>	<b>15,613</b>	<b>10,340</b>	<b>42,379</b>	<b>23,819</b>
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operation	(43)	52	1,513	182
Fair value gain/(loss) on cash flow hedge	63	-	(601)	-
<b>Total comprehensive income for the period</b>	<b>15,633</b>	<b>10,392</b>	<b>43,291</b>	<b>24,001</b>
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the Company	15,613	10,342	42,383	23,826
Non-controlling interest	0	(2)	(4)	(7)
	<b>15,613</b>	<b>10,340</b>	<b>42,379</b>	<b>23,819</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	15,633	10,394	43,295	24,008
Non-controlling interest	0	(2)	(4)	(7)
	<b>15,633</b>	<b>10,392</b>	<b>43,291</b>	<b>24,001</b>
<b>Earnings per share</b>				
(a) Basic earnings per RM0.20 share (sen)	<b>3.33</b>	<b>2.29</b>	<b>9.03</b>	<b>5.29</b>
(b) Diluted earnings per RM0.20 share(sen)	<b>2.67</b>	<b>1.78</b>	<b>7.02</b>	<b>4.09</b>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 29 February 2012 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 2012**

	30/11/2012 Unaudited RM'000	29/2/2012 Audited Restated RM'000	1/3/2011 Audited Restated RM'000
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant And Equipment	160,783	123,233	104,140
Prepaid Land Lease Payments	21,113	21,381	18,678
Investment Properties	200	900	3,160
Investment In An Associate Company	2,966	2,123	1,790
Investment In A Joint Venture Company	475	417	379
Available-for-sale Investment	7	7	7
Capital Work-in-progress	12,400	11,830	6,748
Goodwill on Consolidation	1,153	-	-
Deferred Tax Assets	3,635	5,327	6,055
	<u>202,732</u>	<u>165,218</u>	<u>140,957</u>
<b>Current assets</b>			
Inventories	277,557	199,502	168,772
Trade and Other Receivables	122,252	89,325	66,161
Amount Due from An Associate Company	35,945	40,137	7,749
Derivatives Financial Instruments	10	57	33
Fixed Deposits with Licensed Banks	19,101	22,828	63,244
Cash and Bank Balances	75,175	79,506	75,138
	<u>530,040</u>	<u>431,355</u>	<u>381,097</u>
<b>TOTAL ASSETS</b>	<u>732,772</u>	<u>596,573</u>	<u>522,054</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	99,465	90,530	90,387
Share Application Money	-	-	13
Share Premium	20,105	2,236	1,948
Treasury Shares	(1,670)	(1,650)	(380)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	30,973	48,873	49,151
Warrants Reserve	7,482	7,482	7,484
Revaluation Reserve	4,366	4,466	4,720
Other Reserves	9,471	7,759	5,595
Unappropriated Profit	199,411	177,457	158,264
<b>Equity attributable to owners of the Parent</b>	<u>369,603</u>	<u>337,153</u>	<u>317,182</u>
Non-controlling interest	73	77	86
Total Equity	<u>369,676</u>	<u>337,230</u>	<u>317,268</u>
<b>Non-current liabilities</b>			
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	9,243	17,353	21,923
Long Term Borrowings	71,712	50,936	55,614
Deferred Tax Liabilities	3,478	3,512	3,463
Derivative financial instruments	375	-	-
	<u>84,808</u>	<u>71,801</u>	<u>81,000</u>
<b>Current liabilities</b>			
Trade and Other Payables	49,768	34,209	32,119
Overdraft and Short Term Borrowings	208,553	141,833	86,043
Amount Due to A Joint Venture Company	-	235	357
Derivative financial instruments	227	-	-
Tax payable	13,811	5,872	2,556
Dividend Payable	5,929	5,393	2,711
	<u>278,288</u>	<u>187,542</u>	<u>123,786</u>
<b>Total Liabilities</b>	<u>363,096</u>	<u>259,343</u>	<u>204,786</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>732,772</u>	<u>596,573</u>	<u>522,054</u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.74	0.74	0.70

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 29 February 2012 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 30 NOVEMBER 2012**

	<b>GROUP 30/11/2012 RM'000</b>	<b>GROUP 30/11/2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>61,461</b>	33,430
Adjustments for:		
Depreciation of property, plant and equipment	<b>7,512</b>	5,576
Allowance for impairment of receivables	<b>886</b>	529
Employees Share Option Scheme expenses	<b>800</b>	1,548
Dividend received	<b>(84)</b>	-
Unrealised exchange (gain)/loss	<b>(762)</b>	1,811
Loss / (Gain) on derivatives	<b>(10)</b>	-
Non-cash items	<b>2,901</b>	(61)
Interest Expenses	<b>8,547</b>	5,508
Interest Income	<b>(1,369)</b>	(1,890)
<b>Operating profit before changes in working capital</b>	<b>79,882</b>	46,451
Changes in working capital:-		
Net changes in inventories	<b>(57,971)</b>	(45,143)
Net changes in receivables	<b>(16,673)</b>	(25,317)
Net changes in current liabilities	<b>6,213</b>	7,345
Net changes in amount due from associate company	<b>3,957</b>	(24,478)
Net changes in bills payables	<b>60,782</b>	50,868
<b>Cash generated from operations</b>	<b>76,190</b>	9,726
Dividend paid	<b>(16,741)</b>	(8,109)
Tax paid	<b>(12,368)</b>	(5,963)
<b>Net cash generated from/(used in) operating activities</b>	<b>47,081</b>	(4,346)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	<b>84</b>	-
Acquisition of subsidiaries, net of cash acquired	<b>(40,721)</b>	-
Acquisition of non-controlling interest in associate company	<b>(263)</b>	-
Interest received	<b>1,369</b>	1,890
Purchase of property, plant and equipment	<b>(35,733)</b>	(14,361)
Purchase of prepaid land lease payment	<b>-</b>	(3,857)
Proceeds from disposal of property, plant and equipment	<b>380</b>	113
Capital work-in-progress incurred	<b>(570)</b>	(2,357)
<b>Net cash used in investing activities</b>	<b>(75,454)</b>	(18,572)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares buy back	<b>(20)</b>	(1,270)
Interest paid	<b>(7,891)</b>	(5,066)
Drawdown of borrowings	<b>39,098</b>	7,100
Repayment of borrowings	<b>(12,385)</b>	(8,676)
<b>Net cash generated from/(used in) financing activities</b>	<b>18,802</b>	(7,912)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,571)</b>	(30,830)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>1,513</b>	182
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>102,334</b>	138,382
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>94,276</b>	107,734

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 29 February 2012 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 30 NOVEMBER 2012**

	← Attributable to Owners of the Company →												
	← 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	Unappropriated Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<b>Balance as at 1 March 2011 (Restated)</b>	90,387	13	1,948	(380)	49,151	7,484	4,720	5,595	-	158,264	317,182	86	317,268
<b>Transactions with owners:</b>													
Issuance of shares pursuant to conversion of ICULS	139	-	277	-	(278)	-	-	-	-	(9)	129	-	129
Issuance of shares pursuant to exercise of Warrants	4	(13)	11	-	-	(2)	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-	1,548	-	-	1,548	-	1,548
Acquisition of treasury shares	-	-	-	(1,270)	-	-	-	-	-	-	(1,270)	-	(1,270)
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(5,398)	(5,398)	-	(5,398)
First interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	(4,494)	(4,494)	-	(4,494)
<b>Total transactions with owners</b>	<b>143</b>	<b>(13)</b>	<b>288</b>	<b>(1,270)</b>	<b>(278)</b>	<b>(2)</b>	<b>-</b>	<b>1,548</b>	<b>-</b>	<b>(9,901)</b>	<b>(9,485)</b>	<b>-</b>	<b>(9,485)</b>
Total comprehensive income for the period	-	-	-	-	-	-	(105)	-	183	23,932	24,010	(7)	24,003
<b>Balance as at 30 November 2011</b>	<b>90,530</b>	<b>-</b>	<b>2,236</b>	<b>(1,650)</b>	<b>48,873</b>	<b>7,482</b>	<b>4,615</b>	<b>7,143</b>	<b>183</b>	<b>172,295</b>	<b>331,707</b>	<b>79</b>	<b>331,786</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 29 February 2012 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 30 NOVEMBER 2012 (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
<b>Balance as at 1 March 2012 (Restated)</b>	90,530	2,236	(1,650)	48,873	7,482	4,466	7,659	100	-	177,457	337,153	77	337,230
<b>Transactions with owners:</b>													
Issuance of shares pursuant to conversion of ICULS	8,935	17,869	-	(17,900)	-	-	-	-	-	(3,253)	5,651	-	5,651
Share options granted under ESOS	-	-	-	-	-	-	800	-	-	-	800	-	800
Acquisition of treasury shares	-	-	(20)	-	-	-	-	-	-	-	(20)	-	(20)
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,412)	(6,412)	-	(6,412)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(4,936)	(4,936)	-	(4,936)
Second interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	(5,928)	(5,928)	-	(5,928)
<b>Total transactions with owners</b>	<b>8,935</b>	<b>17,869</b>	<b>(20)</b>	<b>(17,900)</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>(20,529)</b>	<b>(10,845)</b>	<b>-</b>	<b>(10,845)</b>
Total comprehensive income for the period	-	-	-	-	-	(100)	-	1,513	(601)	42,483	43,295	(4)	43,291
<b>Balance as at 30 November 2012</b>	<b>99,465</b>	<b>20,105</b>	<b>(1,670)</b>	<b>30,973</b>	<b>7,482</b>	<b>4,366</b>	<b>8,459</b>	<b>1,613</b>	<b>(601)</b>	<b>199,411</b>	<b>369,603</b>	<b>73</b>	<b>369,676</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 29 February 2012 and the accompanying explanatory notes attached to the interim financial reports



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## **INTERIM FINANCIAL REPORT**

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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”). Prior to financial year beginning from 1 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”) approved by MASB.

This is the Group’s first MFRS interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the financial year ending 28 February 2013. The Group has applied MFRS 1 First Time Adoption of MFRS in preparing the interim financial reports and in preparing the opening MFRS Statements of Financial Position as at 1 March 2011, which is the transition date, and the Group has adjusted the amounts previously reported under FRS to MFRS. The impact of the transition from FRS to MFRS is explained in Note A2 below

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 29 February 2012. 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 29 February 2012.

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

##### **(a) Changes in Accounting Policies**

The audited financial statements of the Group for the year ended 29 February 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed financial report are consistent with those of the audited financial statements for the year ended 29 February 2012. Save for the required presentation of three statements of financial position in the first MFRS financial statements, there is no other significant impact on the Group’s financial results and position, and changes to the accounting policies of the Group arising from the adoption of this MFRS Framework as the requirements under the previous Financial Reporting Standards



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## **INTERIM FINANCIAL REPORT**

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("FRS") Framework were equivalent to the MFRS Framework, although there are some differences in relation to the transitional provisions and effective dates contained in certain of the MFRSs.

### **(b) Application of MFRS 1**

The Company has adopted all the new and revised MFRSs and IC Interpretations which are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations did not result in any changes to significant accounting policies of the Group except as discussed below:-

#### **i) Business combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. The option provided relief from full retrospective application of MFRS which would require restatement of all business combinations prior to the date of transition.

#### **Acquisition before date of transition**

The Group has elected to apply MFRS 3 prospectively from the date of transition and the followings are the results of applying the above exemption in respect of acquisitions prior to the date of transition:-

- (i) The classification of formal business combinations under FRS is maintained
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition);

#### **ii) Exchange translation reserve**

Under FRS, the Company recognised translation differences of foreign operations as a separate component of equity. At the date of transition to MFRS, the Company applied optional exemption available under MFRS 1 and reclassified the cumulative foreign currency translation differences at 1 March 2011 amounting to RM149,771 (30 November 2011: RM149,771; 29 February 2012: RM149,771) to retained earnings.

The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and statement of cash flows. The reconciliation of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:-



## INTERIM FINANCIAL REPORT

### a) Reconciliation of equity as at 1 March 2011

	As at 1/3/2011 Per FRS RM'000	Exchange Translation Reserve RM'000	As at 1/3/2011 Per MFRS RM'000
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant And Equipment	104,140		104,140
Prepaid Land Lease Payments	18,678		18,678
Investment Properties	3,160		3,160
Investment In An Associate Company	1,790		1,790
Investment In A Joint Venture Company	379		379
Available-for-sale Investment	7		7
Capital Work-in-progress	6,748		6,748
Deferred Tax Assets	6,055		6,055
	<u>140,957</u>		<u>140,957</u>
<b>Current assets</b>			
Inventories	168,772		168,772
Trade and Other Receivables	66,161		66,161
Amount Due from An Associate Company	7,749		7,749
Derivatives Financial Instruments	33		33
Fixed Deposits with Licensed Banks	63,244		63,244
Cash and Bank Balances	75,138		75,138
	<u>381,097</u>		<u>381,097</u>
<b>TOTAL ASSETS</b>	<u>522,054</u>		<u>522,054</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	90,387		90,387
Share Application Money	13		13
Share Premium	1,948		1,948
Treasury Shares	(380)		(380)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	49,151		49,151
Warrants Reserve	7,484		7,484
Revaluation Reserve	4,720		4,720
Employees Share Option Reserve	5,595		5,595
Exchange Translation Reserve	150	(150)	-
Unappropriated Profit	158,114	150	158,264
	<u>317,182</u>		<u>317,182</u>
<b>Equity attributable to owners of the Parent</b>	<u>317,182</u>		<u>317,182</u>
Non-controlling interest	86		86
	<u>317,268</u>		<u>317,268</u>
<b>Total Equity</b>	<u>317,268</u>		<u>317,268</u>





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## INTERIM FINANCIAL REPORT

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a) Reconciliation of equity as at 1 March 2011 (Cont'd)

	<b>As at 1/3/2011 Per FRS RM'000</b>	<b>Exchange Translation Reserve RM'000</b>	<b>As at 1/3/2011 Per MFRS RM'000</b>
<b>Non-current liabilities</b>			
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	21,923		21,923
Long Term Borrowings	55,614		55,614
Deferred Tax Liabilities	3,463		3,463
	<u>81,000</u>		<u>81,000</u>
<b>Current liabilities</b>			
Trade and Other Payables	32,119		32,119
Overdraft and Short Term Borrowings	86,043		86,043
Amount Due to A Joint Venture Company	357		357
Tax payable	2,556		2,556
Dividend Payable	2,711		2,711
	<u>123,786</u>		<u>123,786</u>
<b>Total Liabilities</b>	<u>204,786</u>		<u>204,786</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>522,054</u>		<u>522,054</u>



## INTERIM FINANCIAL REPORT

### b) Reconciliation of equity as at 30 November 2011

	As at 30/11/2011 Per FRS RM'000	Exchange Translation Reserve RM'000	As at 30/11/2011 Per MFRS RM'000
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant And Equipment	113,110		113,110
Prepaid Land Lease Payments	22,298		22,298
Investment Properties	3,160		3,160
Investment In An Associate Company	2,124		2,124
Investment In A Joint Venture Company	413		413
Available-for-sale Investment	7		7
Capital Work-in-progress	9,105		9,105
Deferred Tax Assets	5,396		5,396
	<u>155,613</u>		<u>155,613</u>
<b>Current assets</b>			
Inventories	213,645		213,645
Trade and Other Receivables	90,419		90,419
Amount Due from An Associate Company	31,949		31,949
Derivatives Financial Instruments	201		201
Fixed Deposits with Licensed Banks	45,376		45,376
Cash and Bank Balances	62,358		62,358
	<u>443,948</u>		<u>443,948</u>
<b>TOTAL ASSETS</b>	<u>599,561</u>		<u>599,561</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	90,530		90,530
Share Premium	2,236		2,236
Treasury Shares	(1,650)		(1,650)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	48,873		48,873
Warrants Reserve	7,482		7,482
Revaluation Reserve	4,615		4,615
Employees Share Option Reserve	7,143		7,143
Exchange Translation Reserve	333	(150)	183
Unappropriated Profit	172,145	150	172,295
	<u>331,707</u>		<u>331,707</u>
<b>Equity attributable to owners of the Parent</b>	<u>331,707</u>		<u>331,707</u>
Non-controlling interest	79		79
	<u>331,786</u>		<u>331,786</u>
<b>Total Equity</b>	<u>331,786</u>		<u>331,786</u>



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## INTERIM FINANCIAL REPORT

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**b) Reconciliation of equity as at 30 November 2011 (Cont'd)**

	<b>As at 30/11/2011 Per FRS RM'000</b>	<b>Exchange Translation Reserve RM'000</b>	<b>As at 30/11/2011 Per MFRS RM'000</b>
<b>Non-current liabilities</b>			
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	18,384		18,384
Long Term Borrowings	57,471		57,471
Deferred Tax Liabilities	3,427		3,427
	<u>79,282</u>		<u>79,282</u>
<b>Current liabilities</b>			
Trade and Other Payables	45,056		45,056
Overdraft and Short Term Borrowings	133,646		133,646
Amount Due to A Joint Venture Company	284		284
Tax payable	5,013		5,013
Dividend Payable	4,494		4,494
	<u>188,493</u>		<u>188,493</u>
<b>Total Liabilities</b>	<u>267,775</u>		<u>267,775</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>599,561</u>		<u>599,561</u>



## INTERIM FINANCIAL REPORT

### c) Reconciliation of equity as at 29 February 2012

	As at 29/02/2012 Per FRS RM'000	Exchange Translation Reserve RM'000	As at 29/02/2012 Per MFRS RM'000
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant And Equipment	123,233		123,233
Prepaid Land Lease Payments	21,381		21,381
Investment Properties	900		900
Investment In An Associate Company	2,123		2,123
Investment In A Joint Venture Company	417		417
Available-for-sale Investment	7		7
Capital Work-in-progress	11,830		11,830
Deferred Tax Assets	5,327		5,327
	<u>165,218</u>		<u>165,218</u>
<b>Current assets</b>			
Inventories	199,502		199,502
Trade and Other Receivables	89,325		89,325
Amount Due from An Associate Company	40,137		40,137
Derivatives Financial Instruments	57		57
Fixed Deposits with Licensed Banks	22,828		22,828
Cash and Bank Balances	79,506		79,506
	<u>431,355</u>		<u>431,355</u>
<b>TOTAL ASSETS</b>	<u>596,573</u>		<u>596,573</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	90,530		90,530
Share Premium	2,236		2,236
Treasury Shares	(1,650)		(1,650)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	48,873		48,873
Warrants Reserve	7,482		7,482
Revaluation Reserve	4,466		4,466
Employees Share Option Reserve	7,659		7,659
Exchange Translation Reserve	250	(150)	100
Unappropriated Profit	177,307	150	177,457
	<u>337,153</u>		<u>337,153</u>
<b>Equity attributable to owners of the Parent</b>	<u>337,153</u>		<u>337,153</u>
Non-controlling interest	77		77
<b>Total Equity</b>	<u>337,230</u>		<u>337,230</u>



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## INTERIM FINANCIAL REPORT

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c) Reconciliation of equity as at 29 February 2012 (Cont'd)

	As at 29/02/2012 Per FRS RM'000	Exchange Translation Reserve RM'000	As at 29/02/2012 Per MFRS RM'000
<b>Non-current liabilities</b>			
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	17,353		17,353
Long Term Borrowings	50,936		50,936
Deferred Tax Liabilities	3,512		3,512
	<u>71,801</u>		<u>71,801</u>
<b>Current liabilities</b>			
Trade and Other Payables	34,209		34,209
Overdraft and Short Term Borrowings	141,833		141,833
Amount Due to A Joint Venture Company	235		235
Tax payable	5,872		5,872
Dividend Payable	5,393		5,393
	<u>187,542</u>		<u>187,542</u>
<b>Total Liabilities</b>	<u>259,343</u>		<u>259,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>596,573</u>		<u>596,573</u>



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## INTERIM FINANCIAL REPORT

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### iii) 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:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of Interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements	1 January 2013
MFRS 128: Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

### (c) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, associates and jointly controlled entities over the group's share of the fair value of their identifiable net assets including contingent liabilities at the date of acquisition. Goodwill on acquisition in respect of a subsidiary is included in the consolidated balance sheet as intangible assets. If arising in respect of an associate or jointly controlled entity, any excess of the investor's share of the net fair value of the associate's or jointly controlled entity's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the investor's share of the associate's or jointly controlled entity's profit or loss in the period in which the investment is acquired.

Separately recognized goodwill is tested annually for impairment or if events or circumstances occur indicating that impairment may exist and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.



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## **INTERIM FINANCIAL REPORT**

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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 29 February 2012 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) Irredeemable Convertible Unsecured Loan Stock ("ICULS") and Warrants

During the current financial period to date under review, 268,046,400 units of ICULS have been converted to 44,674,397 ordinary shares of RM0.20 each.

b) Treasury Shares

During the current financial period to date ended 30 November 2012, the Company had repurchased 30,000 ordinary share of its issued share capital from the open market at the average price paid of RM0.65 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 these 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. None of the treasury shares repurchased during the financial period had been sold as at the period ended 30 November 2012.

As at the financial period ended 30 November 2012, the number of ordinary shares in issue after deducting treasury shares against equity is 494,022,323 ordinary shares of RM0.20 each.

c) 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).



## INTERIM FINANCIAL REPORT

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 (15 January 2013);**

Parties	Direct		Indirect		No of ICULS		No of Warrants		No. of ESOS Options (viii)
	No. of Voting Shares	% <sup>(i)</sup>	No. of Voting Shares	% <sup>(i)</sup>	Direct	Indirect	Direct	Indirect	
CTL Capital	107,196,480	21.36	-	-	95,463,982	-	17,346,398	-	-
GL Management Agency Sdn Bhd	84,595,960	16.86	-	-	32,381,300	-	12,838,130	-	-
Dato' Chew Ting Leng ("CTL")	-	-	107,196,480 <sup>(ii)</sup>	21.36	-	95,463,982 <sup>(ii)</sup>	-	17,346,398 <sup>(ii)</sup>	4,500,000
Dato' Goh Teoh Kean ("GTK")	-	-	84,595,960 <sup>(iii)</sup>	16.86	-	32,381,300 <sup>(iii)</sup>	-	12,838,130 <sup>(iii)</sup>	4,500,000
Tan Ang Ang ("TAA")	10,189,900	2.03	1,633,000 <sup>(iv)</sup>	0.33	600	-	1,347,240	213,000 <sup>(iv)</sup>	4,500,000
To Tai Wai ("TTW")	12,320,580	2.45	-	-	21,118,800	-	2,111,880	-	3,150,000
Datin Shum Kah Lin ("SKL")	-	-	107,196,480 <sup>(v)</sup>	21.36	-	95,463,982 <sup>(v)</sup>	-	17,346,398 <sup>(v)</sup>	-
Datin Lee Sock Kee ("LSK")	-	-	84,595,960 <sup>(vi)</sup>	16.86	-	32,381,300 <sup>(vi)</sup>	-	12,838,130 <sup>(vi)</sup>	-
Yong Yui Kiew ("YYK")	1,633,000	0.33	10,189,900 <sup>(vii)</sup>	2.03	-	600 <sup>(vii)</sup>	213,000	1,347,240 <sup>(vii)</sup>	-
<b>TOTAL</b>	<b>215,935,920</b>	<b>43.03</b>	<b>-</b>	<b>-</b>	<b>148,964,682</b>	<b>-</b>	<b>33,856,648</b>	<b>-</b>	<b>16,650,000</b>

**Notes:-**

- (i) Excluding a total of 3,302,300 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.
- (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) Only 60% of the ESOS Option is exercisable as at 15 January 2013.





## INTERIM FINANCIAL REPORT

- 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	140,453,542	24.33	-	-
GL Management	102,830,973	17.82	-	-
CTL	4,500,000	0.78	140,453,542 <sup>(i)</sup>	24.33
GTK	4,500,000	0.78	102,830,973 <sup>(ii)</sup>	17.82
TAA	16,037,240	2.78	1,846,000 <sup>(iii)</sup>	0.32
TTW	21,102,260	3.66	-	-
SKL	-	-	144,953,542 <sup>(iv)</sup>	25.11
LSK	-	-	107,330,973 <sup>(v)</sup>	18.60
YYK	1,846,000	0.32	16,037,240 <sup>(vi)</sup>	2.78
<b>TOTAL</b>	<b>291,270,015</b>	<b>50.47</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.  
(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.



## INTERIM FINANCIAL REPORT

### A8 Dividend Paid

	<b>Current Year To-date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>
<b>First interim dividend in respect of financial year ended 28 February 2013, paid on 23 October 2012</b> - Single tier dividend of 1.0 sen per ordinary share of RM0.20	<b>4,936</b>	
<b>Final dividend in respect of financial year ended 29 February 2012, paid on 19 September 2012</b> - Single tier dividend of 1.3 sen per ordinary share of RM0.20	<b>6,412</b>	
<b>Second interim dividend in respect of financial year 29 February 2012, paid on 26 March 2012</b> - Single tier dividend on 1.2 sen per ordinary share of RM0.20	<b>5,393</b>	
<b>Final dividend in respect of financial year ended 28 February 2011, paid on 15 September 2011</b> - Single tier dividend of 1.2 sen per ordinary share of RM0.20		5,398
<b>Special Second Interim dividend in respect of financial year ended 28 February 2011, paid on 30 March 2011</b> - Single tier dividend on 0.6 sen per ordinary share of RM0.20		2,711
	<b>16,741</b>	8,109

Subsequent to the interim financial period ended 30 November 2012, the Company had on 16 January 2013 paid a second interim single tier dividend of 1.2 sen per ordinary share of RM0.20 each in respect of financial year ended 28 February 2013 amounting to RM6.01million.



## INTERIM FINANCIAL REPORT

### A9 Segment Information

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

	<b>Trading of PFF 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 30 November 2012</b>					
<b>Revenue</b>					
External Revenue	293,310	187,555	-	-	480,865
Intersegment revenue	21,659	34,419	30,827	(86,905)	-
<b>Total revenue</b>	<b>314,969</b>	<b>221,974</b>	<b>30,827</b>	<b>(86,905)</b>	<b>480,865</b>
<b>Segment Profit</b>	<b>50,708</b>	<b>21,181</b>	<b>28,374</b>	<b>(31,214)</b>	<b>69,049</b>
Interest income					1,369
Finance costs					(9,579)
Share of profit of joint venture					41
Share of profit of associate					581
<b>Profit before tax</b>					<b>61,461</b>
	<b>Trading of PFF 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 30 November 2011</b>					
<b>Revenue</b>					
External Revenue	221,062	87,518	-	-	308,580
Intersegment revenue	23,733	23,818	21,060	(68,611)	-
<b>Total revenue</b>	<b>244,795</b>	<b>111,336</b>	<b>21,060</b>	<b>(68,611)</b>	<b>308,580</b>
<b>Segment Profit</b>	<b>30,311</b>	<b>3,502</b>	<b>20,554</b>	<b>(16,757)</b>	<b>37,610</b>
Interest income					1,890
Finance costs					(6,477)
Share of profit of joint venture					26
Share of profit of associate					381
<b>Profit before tax</b>					<b>33,430</b>

\* PFF : Represents pipes, fittings and flow controls.



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## INTERIM FINANCIAL REPORT

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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	511,087	351,845
Generated by overseas operation	56,683	25,346
	567,770	377,191
Inter-segments elimination	(86,905)	(68,611)
	480,865	308,580

**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 29 February 2012.

**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**

During the quarter under review, there is no changes in the composition of the Group other than the incorporation of a wholly-owned subsidiary under the name of Nautic Steels Sdn Bhd with an authorized capital of RM100,000.00 ordinary shares of RM1.00 each of which 2 ordinary shares has been issued and fully paid up.



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## INTERIM FINANCIAL REPORT

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**A13 Contingent liabilities**

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

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

	<b>30 November 2012</b>
	<b>RM'000</b>
Corporate guarantees	<u>551,232</u> *

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

**A14 Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 30 November 2012 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>25,825</u>
Analyzed as follows:	
- Property, plant and equipment	<u>25,825</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>9 months to</b>	
	<b>30-Nov-2012</b>	<b>31-Nov-2011</b>	<b>30-Nov-2012</b>	<b>30-Nov-2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	100,790	80,890	293,310	221,062
Manufacturing	70,730	31,762	187,555	87,518
Investment and Management	-	-	-	-
<b>Consolidated Total</b>	<b>171,520</b>	<b>112,652</b>	<b>480,865</b>	<b>308,580</b>

<b>Business Segment</b>	<b>Profit Before Taxation</b>		<b>Profit Before Taxation</b>	
	<b>Current Quarter</b>		<b>9 months to</b>	
	<b>30-Nov-2012</b>	<b>30-Nov-2011</b>	<b>30-Nov-2012</b>	<b>30-Nov-2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trading	14,772	12,799	47,308	30,518
Manufacturing	7,514	2,255	18,928	5,887
Investment and Management	(1,408)	(642)	(4,775)	(2,975)
<b>Consolidated Total</b>	<b>20,878</b>	<b>14,412</b>	<b>61,461</b>	<b>33,430</b>

#### Trading Division

For the current quarter ended 30 November 2012, the trading division recorded higher external revenue of RM100.79 million (Q3FY12: RM80.89 million) and higher segment profit before tax of RM14.77 million (Q3FY12: RM12.80 million), an increase of approximately 25% and 15% respectively.

For the 9 months ended 30 November 2012, trading division also recorded higher external revenue of RM293.31 million (FY12 same period: RM221.06 million) and higher segment profit before tax of RM47.31 million (FY12 same period: RM30.52 million), an increase of approximately 33% and 55% respectively.

The higher revenue is mainly due to improved sales demand from oil and gas sector with active ongoing and new projects. With trading division operating expenses closely controlled, the higher revenue generated by trading division has translated to higher segment profit before tax.



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## **INTERIM FINANCIAL REPORT**

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### **Manufacturing Division**

For the current quarter ended 30 November 2012, the manufacturing division achieved higher external revenue of RM70.73 million (Q3FY12: RM31.76 million) and higher segment profit before tax of RM7.51 million (Q3FY12: RM2.26 million), an increase of approximately 123% and 232% respectively.

For the 9 months ended 30 November 2012, manufacturing division recorded higher external revenue of RM187.56 million (FY12 same period: RM87.52 million) and a higher segment profit before tax of RM18.93 million (FY12 same period: RM5.89 million), an increase of approximately 114% and 221% respectively.

The higher revenue is contributed by the newly acquired Nautic Steels Group in United Kingdom, and the increase in manufacturing output from both the carbon steel and stainless plants to satisfy the increase in both the local and export sales demand.

The higher segment profit before tax was mainly contributed by Nautic Steels Group and the improved product mix of carbon steels manufacturing division through higher sales of market niche products.

### **Investment and Management Division**

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

### **Group Performance**

For the 9 months ended 30 November 2012, the Group registered higher revenue of RM480.87 million (FY12 same period: RM308.58 million) and a higher profit before taxation of RM61.46 million (FY12 same period: RM33.43 million), an increase of approximately 56% and 84% respectively. The better performance of the Group is mainly due to improved demand from current and ongoing oil and gas sector and export market, as well as positive contribution from newly acquired Nautic Steels Group in United Kingdom.

Corresponding to the better performance of the Group, the Group profit after taxation for the 9 months ended 30 November 2012 has registered an increase of approximately 78% to RM42.38 million (FY12 same period: RM23.82 million).

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

In the current quarter under review, the Group reported higher revenue of RM171.52 million compared to RM164.11 million recorded for preceding quarter. Profit after taxation has also increase in tandem with the revenue to RM15.61 million compared to preceding quarter of RM14.30 million. The better quarterly performance is mainly due to the improved products demand from oil and gas sector and better export market for manufacturing division.



## INTERIM FINANCIAL REPORT

### B3 Prospects

The Group will continue to focus and expand on its existing revenue generating businesses and seek opportunities to grow its businesses, both locally and overseas, by expanding its capacity as the major pipes, fittings and flow controls solutions provider to the oil and gas industries and related upstream and downstream industries.

The recent oil and gas discoveries offshore Malaysia and the on-going oil and gas investment under Economic Transformation Programme (ETP) announced by the Government of Malaysia is expected to intensify capital investment in this sector. The Group is of the view that the long term outlook of the oil and gas industries continues to be positive and barring any unforeseen circumstances, the Group expects its overall performance for the current financial year to remain satisfactory.

### B4 Variance on Profit Forecast/Profit Guarantee

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

### B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Nov-12 RM'000	30-Nov-11 RM'000	30-Nov-12 RM'000	30-Nov-11 RM'000
Current taxation	4,857	3,881	17,423	9,108
Over provision of taxation in prior year	-	(27)	-	(121)
Transferred from / (to) deferred tax assets	183	284	2,028	885
Transferred (from) / to deferred taxation	225	(66)	(369)	(261)
	<u>5,265</u>	<u>4,072</u>	<u>19,082</u>	<u>9,611</u>

Tax expense for the current quarter and financial year to-date ended 30 November 2012 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**

- a) There are no corporate proposals announced but not completed as at the date of this quarterly report.  
 b) Utilization of proceeds from corporate proposals  
 i) 7% Irredeemable Convertible Unsecured Loan Stock ("ICULS") 2010/2017

No.	Purpose	Proposed Utilization (RM'000)	Actual Utilization (RM'000)	Intended Timeframe for Utilization	Deviation (RM'000) %		Explanations
1)	Construction of factory buildings and warehouses, acquisition of plant and equipment	39,000	35,431	By January 2013	N/A	-	As at the date of this report, the funds have been fully utilised.
2)	Investments in related and/or complementary businesses locally and/or overseas	9,750	9,750	-	N/A	-	-
3)	Working Capital	24,591	24,584	-	7	0.03	The shortfall was funded from the working capital of the Pantech Group.
4)	Expenses for the Corporate Exercises	1,500	1,507	-	(7)	0.46	
		74,841					

**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>Secured:-</u>		
- Term loan	80	-
<u>Unsecured:-</u>		
- Term loans	17,688	67,961
- Hire purchase	2,152	3,751
- Bankers' acceptances, trust receipts and other short term loan	134,786	-
- Onshore foreign currency loan	53,847	-
	208,553	71,712

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	16,734	51,182
Singapore Dollar	1,066	2,665
	17,800	53,847



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## INTERIM FINANCIAL REPORT

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### **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 1.2 sen per ordinary share in respect of the financial year ending 28 February 2013 (Previous year corresponding period: single tier dividend of 1.2 sen per ordinary share of RM0.20 each). The third interim dividend will be paid on 17 April 2013 to shareholders whose names appear on the Company's Record of Depositors on 20 March 2013.

The total dividend per share for the current financial year is 3.4 sen single tier dividend per ordinary share of RM0.20 each. (Preceding year corresponding period: 2.2 sen single tier dividend per ordinary share 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:-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30-Nov-12 RM'000</b>	<b>30-Nov-11 RM'000</b>	<b>30-Nov-12 RM'000</b>	<b>30-Nov-11 RM'000</b>
<b>Net profit attributable to owners of the Company</b>	<b>15,613</b>	10,342	<b>42,383</b>	23,826
Weighted average number of ordinary share in issue ('000)	<b>469,121</b>	450,726	<b>469,121</b>	450,726
<b>Basic earnings per RM0.20 share (sen)</b>	<b>3.33</b>	2.29	<b>9.03</b>	5.29

#### **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 have been



## INTERIM FINANCIAL REPORT

adjusted for the dilutive effect of ordinary shares that would be issued upon conversion of all outstanding Irredeemable Convertible Unsecured Loan Stock (“ICULS”) and warrants.

### B10 Earnings Per Share (Cont’d)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Nov-12 RM’000	30-Nov-11 RM’000	30-Nov-12 RM’000	30-Nov-11 RM’000
<b>Adjusted net profit for the period attributable to owners of the Company:</b>				
Net profit attributable to owners of the Company	15,613	10,342	42,383	23,826
Impact on income statement upon conversion of ICULS	(8)	(137)	(1,371)	(409)
	<b>15,605</b>	<b>10,205</b>	<b>41,012</b>	<b>23,417</b>
<b>Adjusted weighted average number of shares (‘000):</b>				
Weighted average number of ordinary share in issue (‘000)	469,121	450,726	469,121	450,726
Adjustment for dilutive effect on conversion of ICULS (‘000)	102,221	121,989	102,221	121,989
Adjustment for dilutive effect on Exercise of Warrants (‘000)	9,759	-	9,759	-
Adjustment for dilutive effect on Exercise of ESOS options (‘000)	2,893	-	2,893	-
	<b>583,994</b>	<b>572,715</b>	<b>583,994</b>	<b>572,715</b>
<b>Diluted earnings per RM0.20 share (sen)</b>	<b>2.67</b>	<b>1.78</b>	<b>7.02</b>	<b>4.09</b>



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## INTERIM FINANCIAL REPORT

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### B12 Share Buy Back

As at end of current quarter, a total of 3,302,300 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 0.506 per share.

### B13 Realized and Unrealized Profits / (Losses) disclosure

	As at 30-Nov-12 RM'000	As at 29-Feb-12 Restated RM'000
<b>Total unappropriated profits of Pantech and its subsidiaries:</b>		
- Realized	282,141	220,666
- Unrealized	513	211
	<b>282,654</b>	<b>220,877</b>
<b>Total share of unappropriated profits from associate company:</b>		
- Realized	2,493	2,081
- Unrealized	(31)	16
	<b>2,462</b>	<b>2,097</b>
<b>Total share of unappropriated profits from jointly controlled entity:</b>		
- Realized	314	257
- Unrealized	1	-
	<b>315</b>	<b>257</b>
	<b>285,431</b>	<b>223,231</b>
<b>Less: consolidation adjustments</b>	<b>(86,020)</b>	<b>(45,774)</b>
<b>Total Group unappropriated profits</b>	<b>199,411</b>	<b>177,457</b>



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## INTERIM FINANCIAL REPORT

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**B14 Notes to the Condensed Consolidated Statement of Comprehensive Income**

	<b>Quarter Ended 30-Nov-12 RM'000</b>	<b>Financial Year Ended 30-Nov-12 RM'000</b>
Interest income	376	1,369
Other income including investment income	67	373
Interest expense	(2,867)	(8,547)
Depreciation and amortization	(2,956)	(7,781)
Provision for and write off of receivables	497	(1,296)
Provision for and write off of inventories	(192)	(704)
Gain/(loss) on disposal of quoted or unquoted investment or properties	897	1,090
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	(455)	289
Unrealised foreign exchange gain/(loss)	1,488	762
(Loss)/Gain on derivatives	4	10
Exceptional items	-	-

**Date: 22<sup>nd</sup> January 2013**