



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 NOVEMBER 2013**

| | Third Quarter | | Cumulative Quarter | |
|--|--------------------------------------|--|---|---|
| | Current Year 30/11/2013 RM'000 | Preceding Year Corresponding Quarter 30/11/2012 RM'000 | Current Year To Date 30/11/2013 RM'000 | Preceding Year Corresponding Period 30/11/2012 RM'000 |
| Revenue | 131,089 | 171,520 | 447,178 | 480,865 |
| Operating Expenses | (112,646) | (148,889) | (384,178) | (413,873) |
| Other Operating Income | 510 | 1,488 | 1,963 | 3,426 |
| Profit from Operations | 18,953 | 24,119 | 64,963 | 70,418 |
| Finance Cost | (2,513) | (2,968) | (7,890) | (9,579) |
| Share of profit/(loss) in associate company | (117) | (276) | (316) | 581 |
| Share of profit in joint venture company | 16 | 3 | 24 | 41 |
| Profit before taxation | 16,339 | 20,878 | 56,781 | 61,461 |
| Taxation | (4,246) | (5,265) | (15,621) | (19,082) |
| Profit for the period | 12,093 | 15,613 | 41,160 | 42,379 |
| Other comprehensive income net of tax | | | | |
| Foreign currency translation differences for foreign operation | 432 | (43) | 5,031 | 1,513 |
| Realisation of revaluation reserve upon depreciation of revalued asset | 33 | 33 | 98 | 100 |
| Transfer of revaluation reserve to unappropriated profit | (33) | (33) | (98) | (100) |
| Fair value gain/(loss) on cash flow hedge | (255) | 63 | (897) | (601) |
| Total comprehensive income for the period | 12,270 | 15,633 | 45,294 | 43,291 |
| Profit/(Loss) for the period attributable to: | | | | |
| Owners of the Company | 12,093 | 15,613 | 41,161 | 42,383 |
| Non-controlling interest | - | - | (1) | (4) |
| | 12,093 | 15,613 | 41,160 | 42,379 |
| Total comprehensive income for the period attributable to: | | | | |
| Owners of the Company | 12,270 | 15,633 | 45,295 | 43,295 |
| Non-controlling interest | - | - | (1) | (4) |
| | 12,270 | 15,633 | 45,294 | 43,291 |
| Earnings per share | | | | |
| (a) Basic earnings per RM0.20 share (sen) | 2.24 | 3.33 | 7.64 | 9.03 |
| (b) Diluted earnings per RM0.20 share(sen) | 1.91 | 2.67 | 6.35 | 7.02 |

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 2013 and the accompanying explanatory notes attached to the interim financial reports.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2013**

| | 30/11/2013 Unaudited | 28/02/2013 Audited |
|---|-------------------------|-----------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current assets | | |
| Property, Plant And Equipment | 165,479 | 159,161 |
| Prepaid Land Lease Payments | 28,723 | 21,023 |
| Investment Properties | 200 | 200 |
| Investment In An Associate Company | 2,845 | 3,245 |
| Investment In A Joint Venture Company | 542 | 505 |
| Available-for-sale Investment | - | 7 |
| Capital Work-in-progress | 29,378 | 19,526 |
| Goodwill on Consolidation | 1,061 | 716 |
| Deferred Tax Assets | 3,568 | 3,054 |
| | <u>231,796</u> | <u>207,437</u> |
| Current assets | | |
| Inventories | 235,747 | 259,178 |
| Trade and Other Receivables | 120,750 | 114,978 |
| Amount Due from An Associate Company | 10,796 | 38,476 |
| Fixed Deposits with Licensed Banks | 2,209 | 5,887 |
| Cash and Bank Balances | 97,514 | 73,266 |
| | <u>467,016</u> | <u>491,785</u> |
| TOTAL ASSETS | <u>698,812</u> | <u>699,222</u> |
| EQUITY AND LIABILITIES | | |
| Share Capital | 113,522 | 102,201 |
| Share Premium | 53,191 | 25,578 |
| Treasury Shares | (1,716) | (1,670) |
| Irredeemable Convertible Unsecured Loan Stock - Equity Component | 9,656 | 25,491 |
| Warrants Reserve | 7,482 | 7,482 |
| Revaluation Reserve | 4,234 | 4,332 |
| Other Reserves | 8,288 | 7,602 |
| Unappropriated Profit | 223,021 | 205,929 |
| Equity attributable to owners of the Parent | <u>417,678</u> | <u>376,945</u> |
| Non-controlling interest | 73 | 74 |
| Total Equity | <u>417,751</u> | <u>377,019</u> |
| Non-current liabilities | | |
| Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component | 2,088 | 7,135 |
| Long Term Borrowings | 78,759 | 75,449 |
| Deferred Tax Liabilities | 4,017 | 4,252 |
| Derivative financial instruments | 672 | - |
| | <u>85,536</u> | <u>86,836</u> |
| Current liabilities | | |
| Trade and Other Payables | 36,894 | 40,809 |
| Overdraft and Short Term Borrowings | 144,177 | 181,006 |
| Amount Due to A Joint Venture Company | 668 | 351 |
| Amount Due to An Associate Company | 463 | - |
| Derivative financial instruments | 402 | 204 |
| Tax payable | 6,135 | 6,905 |
| Dividend Payable | 6,786 | 6,092 |
| | <u>195,525</u> | <u>235,367</u> |
| Total Liabilities | <u>281,061</u> | <u>322,203</u> |
| TOTAL EQUITY AND LIABILITIES | <u>698,812</u> | <u>699,222</u> |
| NET ASSETS PER SHARE OF RM0.20 EACH (RM) | 0.74 | 0.74 |

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 2013 and the accompanying explanatory notes attached to the interim financial reports.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2013**

| | GROUP 30/11/2013 RM'000 | GROUP 30/11/2012 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 56,781 | 61,461 |
| Adjustments for: | | |
| Allowance for impairment of receivables | 6,887 | 886 |
| Inventories written down | 164 | 704 |
| Amortisation of prepaid land lease payments | 269 | 269 |
| Depreciation of property, plant and equipment | 8,659 | 7,512 |
| Interest expense | 7,300 | 8,547 |
| Reversal of inventories written down | (587) | - |
| Bad debts written off | 9 | 409 |
| Employees Share Option Scheme expenses | 327 | 800 |
| Interest income | (676) | (1,369) |
| Dividend income | (84) | (84) |
| Gain on disposal of Other Investment | (6) | - |
| Unrealised exchange loss/(gain) on foreign exchange | (582) | (762) |
| Non-cash items | (3,830) | 1,509 |
| Operating profit before changes in working capital | 74,631 | 79,882 |
| Changes in working capital:- | | |
| Inventories | 23,854 | (57,971) |
| Receivables | (12,137) | (16,673) |
| Payables | (8,944) | 6,213 |
| Associate company | 28,143 | 3,887 |
| Joint Venture Company | 317 | 70 |
| Net changes in bills payables | (27,615) | 60,782 |
| Cash generated from operations | 78,249 | 76,190 |
| Dividend paid | (19,616) | (16,741) |
| Tax paid | (17,468) | (12,368) |
| Net cash generated from operating activities | 41,165 | 47,081 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | 84 | 84 |
| Acquisition of subsidiaries, net of cash acquired | (345) | (40,721) |
| Acquisition of non-controlling interest in associate company | - | (263) |
| Interest received | 676 | 1,369 |
| Purchase of property, plant and equipment | (15,686) | (35,733) |
| Proceeds from disposal of property, plant and equipment | 1,059 | 380 |
| Proceeds from disposal of other investment | 13 | - |
| Capital work-in-progress incurred | (10,081) | (570) |
| Net cash used in investing activities | (24,280) | (75,454) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital | 11,447 | - |
| Purchase of treasury shares | (46) | (20) |
| Interest paid | (6,844) | (7,891) |
| Drawdown of borrowings | 8,988 | 39,098 |
| Repayment of borrowings | (14,891) | (12,385) |
| Net cash (used in)/generated from financing activities | (1,346) | 18,802 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 15,539 | (9,571) |
| EFFECT OF EXCHANGE RATE CHANGES | 5,031 | 1,513 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 79,153 | 102,334 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 99,723 | 94,276 |

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 2013 and the accompanying explanatory notes attached to the interim financial reports.



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2013

| | ← Attributable to Owners of the Company → | | | | | | | | | | | | |
|--|---|----------------------------|------------------------------|---|-------------------------------|----------------------------------|-----------------------------------|--|--------------------------------------|-------------------------------------|-----------------|---------------------------------------|---------------------------|
| | ← Non-Distributable | | | | | → Distributable | | | | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | ICULS- Equity component RM'000 | Warrants Reserve RM'000 | Revaluation Reserve RM'000 | Share Option Reserve RM'000 | Exchange Translation Reserve RM'000 | Cash Flow Hedge Reserve RM'000 | Unappropriated Profits RM'000 | Total RM'000 | Non-controlling Interest RM'000 | Total Equity RM'000 |
| Balance as at 1 March 2012 , restated | 90,530 | 2,236 | (1,650) | 48,873 | 7,482 | 4,466 | 7,659 | 100 | - | 177,457 | 337,153 | 77 | 337,230 |
| Transactions with owners: | | | | | | | | | | | | | |
| Issuance of shares pursuant to conversion of ICULS | 8,935 | 17,869 | - | (17,900) | - | - | - | - | - | (3,253) | 5,651 | - | 5,651 |
| Acquisition of treasury shares | - | - | (20) | - | - | - | - | - | - | - | (20) | - | (20) |
| Share options granted under ESOS | - | - | - | - | - | - | 800 | - | - | - | 800 | - | 800 |
| 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) |
| Total transactions with owners | 8,935 | 17,869 | (20) | (17,900) | - | - | 800 | - | - | (20,529) | (10,845) | - | (10,845) |
| Total comprehensive income for the period | - | - | - | - | - | (100) | - | 1,513 | (601) | 42,483 | 43,295 | (4) | 43,291 |
| Balance as at 30 November 2012 | 99,465 | 20,105 | (1,670) | 30,973 | 7,482 | 4,366 | 8,459 | 1,613 | (601) | 199,411 | 369,603 | 73 | 369,676 |

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 2013 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 2013 (Continued)

| | ← Attributable to Owners of the Company → | | | | | | | | | | | | |
|--|---|----------------------------|------------------------------|---|-------------------------------|----------------------------------|-----------------------------------|--|--------------------------------------|-------------------------------------|-----------------|---------------------------------------|---------------------------|
| | ← Non-Distributable | | | | | → Distributable | | | | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | ICULS- Equity component RM'000 | Warrants Reserve RM'000 | Revaluation Reserve RM'000 | Share Option Reserve RM'000 | Exchange Translation Reserve RM'000 | Cash Flow Hedge Reserve RM'000 | Unappropriated Profits RM'000 | Total RM'000 | Non-controlling Interest RM'000 | Total Equity RM'000 |
| Balance as at 28 February 2013 | 102,201 | 25,578 | (1,670) | 25,491 | 7,482 | 4,332 | 8,726 | (947) | (177) | 205,929 | 376,945 | 74 | 377,019 |
| Transactions with owners: | | | | | | | | | | | | | |
| Issuance of shares pursuant to exercise of ESOS | 3,417 | 11,806 | - | - | - | - | (3,775) | - | - | - | 11,448 | - | 11,448 |
| Issuance of shares pursuant to conversion of ICULS | 7,904 | 15,807 | - | (15,835) | - | - | - | - | - | (3,857) | 4,019 | - | 4,019 |
| Acquisition of treasury shares | - | - | (46) | - | - | - | - | - | - | - | (46) | - | (46) |
| Share options granted under ESOS | - | - | - | - | - | - | 327 | - | - | - | 327 | - | 327 |
| Final dividend paid to Shareholders | - | - | - | - | - | - | - | - | - | (6,759) | (6,759) | - | (6,759) |
| First interim dividend paid to Shareholders | - | - | - | - | - | - | - | - | - | (6,761) | (6,761) | - | (6,761) |
| Second interim dividend payable to Shareholders | - | - | - | - | - | - | - | - | - | (6,790) | (6,790) | - | (6,790) |
| Total transactions with owners | 11,321 | 27,613 | (46) | (15,835) | - | - | (3,448) | - | - | (24,167) | (4,562) | - | (4,562) |
| Total comprehensive income for the period | - | - | - | - | - | (98) | - | 5,031 | (897) | 41,259 | 45,295 | (1) | 45,294 |
| Balance as at 30 November 2013 | 113,522 | 53,191 | (1,716) | 9,656 | 7,482 | 4,234 | 5,278 | 4,084 | (1,074) | 223,021 | 417,678 | 73 | 417,751 |

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial reports



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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

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

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

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2013. 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 2013.

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 2013, except for adoption of the following new and revised FRSs, Amendments to FRSs and IC Interpretations which are effective for financial period beginning 1 January 2013:-

FRSs, Amendments to FRSs and IC Interpretations

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interests in Other Entities

MFRS 13: Fair Value Measurement

MFRS 119: Employee Benefits (IAS 19 as amended by IASB in June 2011)

MFRS 127: Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

MFRS 128: Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)

Amendments to MFRS 1: First-time adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)



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Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11: Joint Arrangements: Transition Guidance
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendment to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

(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:

| MFRSs, Amendments to MFRSs and IC Interpretation | Effective for annual periods beginning on or after |
|---|---|
| Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities | 1 January 2014 |
| Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities | 1 January 2014 |
| Amendments to MFRS 127: Separate Financial Statements: Investment Entities | 1 January 2014 |
| Amendments to MFRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 136: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets | 1 January 2014 |
| Amendments to MFRS 139: Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21: Levies | 1 January 2014 |
| MFRS 7: Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures | 1 January 2015 |
| MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010) | 1 January 2015 |

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

A3 Audit report of preceding annual financial statement

The audited financial statements of the Company and its subsidiary companies for the financial year ended 28 February 2013 were not subject to any audit qualification.



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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, 17,085,500 ordinary shares of RM 0.20 each were issued at RM 0.67 per share under Employees' Share Option Scheme.

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

During the current financial year-to-date under review, 237,108,600 units of ICULS have been converted to 39,518,099 ordinary shares of RM0.20 each.

c) Treasury Shares

During the current financial year-to-date under review, the Company had repurchased 50,000 ordinary share or 0.01% of its issued share capital from the open market at the average price paid of RM0.91 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, the number of ordinary shares in issue after deducting treasury shares against equity is 564,258,048 ordinary shares of RM0.20 each.

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



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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 (16 January 2014);

| Parties | Direct | | Indirect | | No of ICULS | | No of Warrants | | No. of ESOS Options (viii) |
|------------------------------|----------------------|------------------|-----------------------------|------------------|-------------------|----------------------------|-------------------|-----------------------------|-------------------------------|
| | No. of Voting Shares | % ⁽ⁱ⁾ | No. of Voting Shares | % ⁽ⁱ⁾ | Direct | Indirect | Direct | Indirect | |
| CTL Capital | 108,696,480 | 19.22 | - | - | 47,463,982 | - | 17,346,398 | - | - |
| GL Management Agency Sdn Bhd | 85,292,843 | 15.08 | - | - | - | - | 12,838,130 | - | - |
| Dato' Chew Ting Leng ("CTL") | - | - | 108,696,480 ⁽ⁱⁱ⁾ | 19.22 | - | 47,463,982 ⁽ⁱⁱ⁾ | - | 17,346,398 ⁽ⁱⁱ⁾ | 4,500,000 |
| Dato' Goh Teoh Kean ("GTK") | - | - | 85,292,843 ⁽ⁱⁱⁱ⁾ | 15.08 | - | - | - | 12,838,130 ⁽ⁱⁱⁱ⁾ | 4,500,000 |
| Tan Ang Ang ("TAA") | 8,889,900 | 1.57 | 1,633,000 ^(iv) | 0.29 | 600 | - | 1,347,240 | 213,000 ^(iv) | 2,500,000 |
| To Tai Wai ("TTW") | 13,340,380 | 2.36 | - | - | - | - | 2,111,880 | - | 3,150,000 |
| Datin Shum Kah Lin ("SKL") | - | - | 108,696,480 ^(v) | 19.22 | - | 47,463,982 ^(v) | - | 17,346,398 ^(v) | - |
| Datin Lee Sock Kee ("LSK") | - | - | 85,292,843 ^(vi) | 15.08 | - | - | - | 12,838,130 ^(vi) | - |
| Yong Yui Kiew ("YYK") | 1,633,000 | 0.29 | 8,889,900 ^(vii) | 1.57 | - | 600 ^(vii) | 213,000 | 1,347,240 ^(vii) | - |
| TOTAL | 217,852,603 | 38.52 | - | - | 47,464,582 | - | 33,856,648 | - | 14,650,000 |

Notes:-

- (i) Excluding a total of 3,352,300 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 80% of the ESOS Option is exercisable as at 16 January 2014.



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- 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 | 133,953,542 | 21.54 | - | - |
| GL Management | 98,130,973 | 15.78 | - | - |
| CTL | 4,500,000 | 0.72 | 133,953,542 ⁽ⁱ⁾ | 21.54 |
| GTK | 4,500,000 | 0.72 | 98,130,973 ⁽ⁱⁱ⁾ | 15.78 |
| TAA | 12,737,240 | 2.05 | 1,846,000 ⁽ⁱⁱⁱ⁾ | 0.30 |
| TTW | 18,602,260 | 2.99 | - | - |
| SKL | - | - | 138,453,542 ^(iv) | 22.26 |
| LSK | - | - | 102,630,973 ^(v) | 16.50 |
| YYK | 1,846,000 | 0.30 | 12,737,240 ^(vi) | 2.05 |
| TOTAL | 274,270,015 | 44.10 | - | - |

Notes:-

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

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



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A8 Dividend Paid

| | Current Year To-date RM'000 | Preceding Year Corresponding Period RM'000 |
|--|--|---|
| First interim dividend in respect of financial year ended 28 February 2014, paid on 22 October 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20 | 6,761 | - |
| Final dividend in respect of financial year ended 28 February 2013, paid on 19 September 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20 | 6,759 | - |
| Third interim dividend in respect of financial year ended 28 February 2013, paid on 17 April 2013 Single tier dividend on 1.2 sen per ordinary share of RM0.20 | 6,096 | - |
| First interim dividend in respect of financial year ended 28 February 2013, paid on 23 October 2012 Single tier dividend of 1.0 sen per ordinary share of RM0.20 | - | 4,936 |
| Final dividend in respect of financial year ended 29 February 2012, paid on 19 September 2012 Single tier dividend of 1.3 sen per ordinary share of RM0.20 | - | 6,412 |
| Second interim dividend in respect of financial year ended 29 February 2012, paid on 26 March 2012 Single tier dividend on 1.2 sen per ordinary share of RM0.20 | - | 5,393 |
| | 19,616 | 16,741 |

Subsequent to the interim financial period ended 30 November 2013, the Company had on 16 January 2014 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 2014 amounting to RM6.79 million.



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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.

| | Trading of PFF products RM'000 | Manufacturing of pipes & pipe fittings RM'000 | Investment and Management RM'000 | Elimination RM'000 | Total RM'000 |
|--------------------------------------|---|--|---|-------------------------------|-------------------------|
| Period Ended 30 November 2013 | | | | | |
| Revenue | | | | | |
| External Revenue | 231,853 | 215,325 | - | - | 447,178 |
| Intersegment revenue | 13,695 | 27,387 | 17,417 | (58,499) | - |
| Total revenue | 245,548 | 242,712 | 17,417 | (58,499) | 447,178 |
| Segment Profit | 27,926 | 36,287 | 16,316 | (16,242) | 64,287 |
| Interest income | | | | | 676 |
| Finance costs | | | | | (7,890) |
| Share of profit of joint venture | | | | | 24 |
| Share of loss of associate | | | | | (316) |
| Profit before tax | | | | | 56,781 |
| | | | | | |
| | Trading of PFF products RM'000 | Manufacturing of pipes & pipe fittings RM'000 | Investment and Management RM'000 | Elimination RM'000 | Total RM'000 |
| Period Ended 30 November 2012 | | | | | |
| Revenue | | | | | |
| External Revenue | 293,310 | 187,555 | - | - | 480,865 |
| Intersegment revenue | 21,659 | 34,419 | 30,827 | (86,905) | - |
| Total revenue | 314,969 | 221,974 | 30,827 | (86,905) | 480,865 |
| Segment Profit | 50,708 | 21,181 | 28,374 | (31,214) | 69,049 |
| Interest income | | | | | 1,369 |
| Finance costs | | | | | (9,579) |
| Share of profit of joint venture | | | | | 41 |
| Share of profit of associate | | | | | 581 |
| Profit before tax | | | | | 61,461 |

* PFF : Represents pipes, fittings and flow controls.



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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 | 443,576 | 511,087 |
| Generated by overseas operation | 62,101 | 56,683 |
| | 505,677 | 567,770 |
| Inter-segments elimination | (58,499) | (86,905) |
| | 447,178 | 480,865 |

A10 Valuation of Property, Plant and Equipment

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

There were no changes to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the financial year ended 28 February 2013.

A11 Material events subsequent to the end of the interim period

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

A12 Changes in the composition of the Group

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

A13 Contingent liabilities

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

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

| | |
|----------------------|-------------------------|
| | 30 November 2013 |
| | RM'000 |
| Corporate guarantees | <u>592,480</u> * |

* Represents the total limit of Pantech's corporate guarantee



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A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 November 2013 are as follows:

| | RM'000 |
|---------------------------------|---------------|
| Approved and contracted for | <u>5,039</u> |
| Analyzed as follows: | |
| - Property, plant and equipment | <u>5,039</u> |



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

B1 Review of Performance

| Business Segment | Revenue Current Quarter | | Revenue 9 months to | |
|---------------------------|----------------------------|----------------|------------------------|----------------|
| | 30-Nov-2013 | 30-Nov -2012 | 30-Nov-2013 | 30-Nov -2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Trading | 75,074 | 100,790 | 231,853 | 293,310 |
| Manufacturing | 56,015 | 70,730 | 215,325 | 187,555 |
| Investment and Management | - | - | - | - |
| Consolidated Total | 131,089 | 171,520 | 447,178 | 480,865 |

| Business Segment | Profit Before Taxation Current Quarter | | Profit Before Taxation 9 months to | |
|---------------------------|---|---------------|---------------------------------------|---------------|
| | 30-Nov-2013 | 30-Nov -2012 | 30-Nov-2013 | 30-Nov -2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Trading | 6,962 | 14,772 | 24,570 | 47,308 |
| Manufacturing | 10,092 | 7,514 | 35,305 | 18,928 |
| Investment and Management | (715) | (1,408) | (3,094) | (4,775) |
| Consolidated Total | 16,339 | 20,878 | 56,781 | 61,461 |

Trading Division

For the current quarter ended 30 November 2013, the trading division recorded lower external revenue of RM75.07 million (Q3FY13: RM100.79 million) and lower segment profit before tax of RM6.96 million (Q3FY13: RM14.77 million), a decrease of approximately 26% and 53% respectively.

For the 9 months ended 30 November 2013, the trading division recorded lower external revenue of RM231.85 million (9 months FY13: RM293.31 million) and lower segment profit before tax of RM24.57 million (9 months FY13: RM47.31 million), a decrease of approximately 21% and 48% respectively.

The lower revenue for the current quarter and the 9 months ended 30 November 2013 are mainly due to weaker sales demand from oil and gas sector with slower project execution, and with the increase in operating expenses and change in product mix, this translate to lower profit before tax.



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B1 Review of Performance (Cont'd)

Manufacturing Division

For the current quarter ended 30 November 2013, the manufacturing division achieved lower external revenue of RM56.02 million (Q3FY13: RM70.73 million) and higher segment profit before tax of RM10.09 million (Q3FY13: RM7.51 million), a decrease in revenue of approximately 21% and an increase in profit before tax of approximately 34%.

The lower revenue for the current quarter is mainly due to lower export sales by stainless steel manufacturing plant. Despite lower revenue achieved, a higher profit before tax is reported due mainly to higher output of better margin products by manufacturing division.

For the 9 months ended 30 November 2013, the manufacturing division achieved higher external revenue of RM215.33 million (9 months FY13: RM187.56 million) and higher segment profit before tax of RM35.31 million (9 months FY13: RM18.93 million), an increase of approximately 15% and 87% respectively.

The higher revenue for the 9 months ended 30 November 2013 are contributed by the increase in manufacturing output from all the manufacturing plants to satisfy the increase in the local and export sales demand. The increase in profit before tax corresponding the higher revenue achieved by the manufacturing division due to increase in niche products sales.

Investment and Management Division

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

Group Performance

For the current quarter ended 30 November 2013, the Group registered lower revenue of RM131.09 million (Q3FY13: RM171.52 million) and a lower profit before taxation of RM16.34 million (Q3FY13: RM20.88 million), a decrease of approximately 24% and 22% respectively. The weaker performance is mainly due to lower contribution from the trading division.

For the 9 months ended 30 November 2013, the Group registered lower revenue of RM447.18 million (9 months FY13: RM480.87 million), profit before tax of RM56.78 million (9 months FY13: RM61.46 million) and profit after taxation of RM41.16 million (9 months FY13: RM42.38 million). The better manufacturing division performance contributed positively to profit of the Group and offset the weaker trading division performance.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group reported lower revenue of RM131.09 million compared to RM153.83 million recorded for preceding quarter due to lower export from the stainless steel manufacturing plant. Profit after taxation has decreased to RM12.09 million compared to preceding quarter of RM15.30 million corresponding to lower revenue.



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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.

With the on-going oil and gas investment in the industry, 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 30-Nov-13 RM'000 | Preceding Year Corresponding Quarter 30-Nov -12 RM'000 | Current Year To Date 30-Nov -13 RM'000 | Preceding Year Corresponding Period 30-Nov -12 RM'000 |
| Current taxation | 4,175 | 5,981 | 15,744 | 18,547 |
| Under/(over) provision of taxation in prior year | 425 | (1,124) | 425 | (1,124) |
| Transferred from / (to) deferred tax assets | 71 | 183 | 1,262 | 2,028 |
| Transferred (from) / to deferred taxation | (403) | 247 | (1,744) | (303) |
| Crystallization of deferred taxation upon depreciation of revalued assets | (22) | (22) | (66) | (66) |
| | 4,246 | 5,265 | 15,621 | 19,082 |

Tax expense for the current quarter and financial year-to-date ended 30 November 2013 is derived based on the management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is higher than the statutory rate mainly due to certain expenses are not deductible for tax purposes.



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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 | 9,229 | 72,182 |
| - Hire purchase | 1,674 | 6,577 |
| - Bankers' acceptances, trust receipts and other short term loan | 89,974 | - |
| - Onshore foreign currency loan | 43,300 | - |
| | <u>144,177</u> | <u>78,759</u> |

Foreign currency borrowings included above:

| | Foreign Currency '000 | RM Equivalent '000 |
|------------|--------------------------------------|-----------------------------------|
| US Dollar | 13,290 | 42,537 |
| SGD Dollar | 907 | 2,328 |
| GB Pound | 258 | 1,330 |
| | <u>14,455</u> | <u>46,195</u> |

We are not *Syariah*-Compliant securities based on audited accounts as at 28 February 2013. However, the Board is currently working towards compliance starting financial year ended 28 February 2014 onwards.

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 1.0 sen per ordinary share in respect of the financial year ending 28 February 2014 (Previous year corresponding period: 1.2 sen). The third interim dividend will be paid on 16 April 2014 to shareholders whose names appear on the Company's Record of Depositors on 19 March 2014.

The total dividend per share for the current financial year is 3.4 sen single tier dividend per ordinary share of RM 0.20 each. (Preceding year corresponding period: 3.4 sen)



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B10 Earnings Per Share

a) Basic Earnings Per Share

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

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------|---|-------------------------|--|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
| | 30-Nov-13 RM'000 | 30-Nov-12 RM'000 | 30- Nov -13 RM'000 | 31-Nov-12 RM'000 |
| Net profit attributable to owners of the Company | 12,093 | 15,613 | 41,161 | 42,383 |
| Weighted average number of ordinary share in issue ('000) | 538,743 | 469,121 | 538,743 | 469,121 |
| Basic earnings per RM0.20 share (sen) | 2.24 | 3.33 | 7.64 | 9.03 |

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



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B10 Earnings Per Share (Cont'd)

b) Diluted Earnings Per Share (cont'd)

| | Individual Quarter | | Cumulative Quarter | |
|--|--|---|--|--|
| | Current Year Quarter 30-Nov-13 RM'000 | Preceding Year Corresponding Quarter 30-Nov-12 RM'000 | Current Year To Date 30-Nov-13 RM'000 | Preceding Year Corresponding Period 30-Nov-12 RM'000 |
| Adjusted net profit for the period attributable to owners of the Company: | | | | |
| Net profit attributable to owners of the Company | 12,093 | 15,613 | 41,161 | 42,383 |
| Impact on income statement upon conversion of ICULS | 54 | (8) | (806) | (1,371) |
| | 12,147 | 15,605 | 40,355 | 41,012 |
| Adjusted weighted average number of shares ('000): | | | | |
| Weighted average number of ordinary share in issue ('000) | 538,743 | 469,121 | 538,743 | 469,121 |
| Adjustment for dilutive effect on conversion of ICULS ('000) | 42,641 | 102,221 | 42,641 | 102,221 |
| Adjustment for dilutive effect on Exercise of Warrants ('000) | 29,907 | 9,759 | 29,907 | 9,759 |
| Adjustment for dilutive effect on Exercise of ESOS options ('000) | 24,035 | 2,893 | 24,035 | 2,893 |
| | 635,326 | 583,994 | 635,326 | 583,994 |
| Diluted earnings per RM0.20 share (sen) | 1.91 | 2.67 | 6.35 | 7.02 |



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B11 Share Buy Back

As at end of current quarter, a total of 3,352,300 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 0.512 per share.

B12 Realized and Unrealized Profits / (Losses) disclosure

| | As at 30-Nov-13 | As at 28-Feb-13 |
|--|--------------------|--------------------|
| | RM'000 | RM'000 |
| Total unappropriated profits of Pantech and its subsidiaries: | | |
| - Realized | 306,715 | 290,360 |
| - Unrealized | 1,519 | (242) |
| | 308,234 | 290,118 |
| Total share of unappropriated profits from associate company: | | |
| - Realized | 2,419 | 2,981 |
| - Unrealized | 6 | (25) |
| | 2,425 | 2,956 |
| Total share of unappropriated profits from jointly controlled entity: | | |
| - Realized | 382 | 348 |
| - Unrealized | - | (3) |
| | 382 | 345 |
| | 311,041 | 293,419 |
| Less: consolidation adjustments | (88,020) | (87,490) |
| Total Group unappropriated profits | 223,021 | 205,929 |



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B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

| | Quarter Ended 30-Nov-13 RM'000 | Financial Year Ended 30-Nov-13 RM'000 |
|--|---|--|
| Interest income | 236 | 676 |
| Other income including investment income | 124 | 287 |
| Interest expense | (2,437) | (7,300) |
| Depreciation and amortization | (3,179) | (8,928) |
| Allowance for impairment and write off of receivables | (2,440) | (6,896) |
| Allowance for slow moving and write off of inventories | 173 | (164) |
| Gain/(loss) on disposal of quoted or unquoted investment or properties | 20 | 165 |
| Impairment of assets | - | - |
| Realised foreign exchange gain/(loss) | (1,380) | 709 |
| Unrealised foreign exchange gain/(loss) | 1,523 | 582 |
| (Loss)/Gain on derivatives | 19 | - |
| Exceptional items | - | - |

Date: 22nd January 2014