



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2014**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/2/2014 RM'000	Preceding Year Corresponding Quarter 28/02/2013 RM'000	Current Year To Date 28/2/2014 RM'000	Preceding Year Corresponding Period 28/02/2013 RM'000
Revenue	127,764	154,798	574,942	635,663
Operating Expenses	(107,637)	(137,309)	(491,815)	(551,182)
Other Operating Income	1,584	3,602	3,547	7,028
Profit from Operations	21,711	21,091	86,674	91,509
Finance Cost	(2,344)	(2,690)	(10,234)	(12,269)
Share of profit/(loss) in associate company	(227)	362	(543)	943
Share of profit/(loss) in joint venture company	(6)	30	18	71
Profit before taxation	19,134	18,793	75,915	80,254
Taxation	(4,516)	(5,110)	(20,137)	(24,192)
Profit for the period	14,618	13,683	55,778	56,062
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operation	3,234	(2,560)	8,265	(1,047)
Realisation of revaluation reserve upon depreciation of revalued asset	293	33	391	133
Transfer of revaluation reserve to unappropriated profit	(293)	(33)	(391)	(133)
Fair value gain/(loss) on cash flow hedge	(368)	424	(1,265)	(177)
Total comprehensive income for the period	17,484	11,547	62,778	54,838
Profit/(Loss) for the period attributable to:				
Owners of the Company	14,618	13,683	55,779	56,066
Non-controlling interest	-	-	(1)	(4)
	14,618	13,683	55,778	56,062
Total comprehensive income for the period attributable to:				
Owners of the Company	17,484	11,547	62,779	54,842
Non-controlling interest	-	-	(1)	(4)
	17,484	11,547	62,778	54,838
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	2.68	2.86	10.23	11.73
(b) Diluted earnings per RM0.20 share(sen)	2.32	2.26	8.71	9.19

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.

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2014**

	28/2/2014 Unaudited	28/02/2013 Audited
	RM'000	RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	195,969	159,161
Prepaid Land Lease Payments	27,490	21,023
Investment Properties	4,830	200
Investment In An Associate Company	2,618	3,245
Investment In A Joint Venture Company	546	505
Available-for-sale Investment	-	7
Capital Work-in-progress	475	19,526
Goodwill on Consolidation	1,061	716
Deferred Tax Assets	2,940	3,054
	<u>235,929</u>	<u>207,437</u>
Current assets		
Inventories	252,286	259,178
Trade and Other Receivables	128,666	114,978
Amount Due from An Associate Company	10,763	38,476
Fixed Deposits with Licensed Banks	2,223	5,887
Cash and Bank Balances	57,718	73,266
	<u>451,656</u>	<u>491,785</u>
TOTAL ASSETS	<u>687,585</u>	<u>699,222</u>
EQUITY AND LIABILITIES		
Share Capital	113,909	102,201
Share Premium	54,160	25,578
Treasury Shares	(1,807)	(1,670)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	9,143	25,491
Warrants Reserve	7,482	7,482
Revaluation Reserve	3,941	4,332
Other Reserves	11,112	7,602
Unappropriated Profit	232,096	205,929
Equity attributable to owners of the Parent	<u>430,036</u>	<u>376,945</u>
Non-controlling interest	73	74
Total Equity	<u>430,109</u>	<u>377,019</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	1,976	7,135
Long Term Borrowings	63,113	75,449
Deferred Tax Liabilities	3,949	4,252
Derivative financial instruments	920	-
	<u>69,958</u>	<u>86,836</u>
Current liabilities		
Trade and Other Payables	44,837	40,809
Overdraft and Short Term Borrowings	130,621	181,006
Amount Due to A Joint Venture Company	600	351
Amount Due to An Associate Company	108	-
Derivative financial instruments	529	204
Tax payable	5,128	6,905
Dividend Payable	5,695	6,092
	<u>187,518</u>	<u>235,367</u>
Total Liabilities	<u>257,476</u>	<u>322,203</u>
TOTAL EQUITY AND LIABILITIES	<u><u>687,585</u></u>	<u><u>699,222</u></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.76	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.



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2014**

	GROUP 28/2/2014 RM'000	GROUP 28/02/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	75,915	80,254
Adjustments for:		
Allowance for impairment of receivables	5,283	2,926
Inventories written down	178	1,736
Amortisation of prepaid land lease payments	347	358
Depreciation of property, plant and equipment	11,426	10,363
Interest expense	9,423	11,139
Reversal of inventories written down	(1,141)	(6)
Bad debts written off	9	415
Employees Share Option Scheme expenses	436	1,066
Interest income	(1,182)	(1,507)
Gain on disposal of other investment	(6)	-
Gain on disposal of investment properties	-	(800)
Unrealised exchange loss/(gain) on foreign exchange	(734)	750
Non-cash items	(4,262)	(3,365)
Operating profit before changes in working capital	95,692	103,329
Changes in working capital:-		
Inventories	7,854	(40,617)
Receivables	(18,979)	(9,509)
Payables	1,539	2,595
Associate company	27,821	1,837
Joint Venture Company	249	116
Cash generated from operations	114,176	57,751
Dividend paid	(26,402)	(22,747)
Tax paid	(21,902)	(23,183)
Net cash generated from operating activities	65,872	11,821
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	84	84
Acquisition of subsidiaries, net of cash acquired	-	(40,721)
Payment of contingent consideration	(345)	-
Acquisition of non-controlling interest in associate company	-	(263)
Interest received	1,182	1,507
Purchase of property, plant and equipment	(32,577)	(15,699)
Proceeds from disposal of property, plant and equipment	1,079	400
Proceeds from disposal of investment properties	-	1,500
Proceeds from disposal of other investment	13	-
Capital work-in-progress incurred	(475)	(23,446)
Purchase of prepaid land lease payment	(2,391)	-
Net cash used in investing activities	(33,430)	(76,638)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	11,883	-
Purchase of treasury shares	(136)	(20)
Interest paid	(8,946)	(14,111)
(Repayment)/Proceed of short-term borrowings	(58,184)	30,899
Drawdown of borrowings	17,479	42,133
Repayment of borrowings	(22,015)	(16,924)
Net cash (used in)/generated from financing activities	(59,919)	41,977
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(27,477)	(22,840)
EFFECT OF EXCHANGE RATE CHANGES	8,265	(341)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	79,153	102,334
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	59,941	79,153

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.



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2014

	← 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	11,671	23,342	-	(23,382)	-	-	-	-	-	(4,280)	7,351	-	7,351
Issuance of shares pursuant to exercise of Warrants	#	*	-	-	&	-	-	-	-	-	@	-	@
Acquisition of treasury shares	-	-	(20)	-	-	-	-	-	-	-	(20)	-	(20)
Share options granted under ESOS	-	-	-	-	-	-	1,067	-	-	-	1,067	-	1,067
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 paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,006)	(6,006)	-	(6,006)
Third interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,092)	(6,092)	-	(6,092)
Total transactions with owners	11,671	23,342	(20)	(23,382)	&	-	1,067	-	-	(27,727)	(15,049)	-	(15,049)
Total comprehensive income for the period	-	-	-	-	-	(133)	-	(1,047)	(177)	56,199	54,842	(4)	54,838
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

Note: # RM82.00
 Note: * RM205.00
 Note: & (RM41.00)
 Note: @ RM246.00

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 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 28 FEBRUARY 2014 (Continued)

	← Attributable to Owners of the Company →										Non-Distributable	Distributable	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	ICULS-Equity component RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Share Reserve RM'000	Option Reserve RM'000	Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve 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	3,547	12,262	-	-	-	-	(3,926)	-	-	-	11,883	-	11,883
Issuance of shares pursuant to conversion of ICULS	8,161	16,320	-	(16,348)	-	-	-	-	-	(4,002)	4,131	-	4,131
Acquisition of treasury shares	-	-	(137)	-	-	-	-	-	-	-	(137)	-	(137)
Share options granted under ESOS	-	-	-	-	-	-	436	-	-	-	436	-	436
Final dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,759)	(6,759)	-	(6,759)
First interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,761)	(6,761)	-	(6,761)
Second interim dividend paid to Shareholders	-	-	-	-	-	-	-	-	-	(6,786)	(6,786)	-	(6,786)
Third interim dividend payable to Shareholders	-	-	-	-	-	-	-	-	-	(5,696)	(5,696)	-	(5,696)
Total transactions with owners	11,708	28,582	(137)	(16,348)	-	-	(3,490)	-	-	(30,004)	(9,689)	-	(9,689)
Total comprehensive income for the period	-	-	-	-	-	(391)	-	8,265	(1,265)	56,171	62,779	(1)	62,778
Balance as at 28 February 2014	113,909	54,160	(1,807)	9,143	7,482	3,941	5,236	7,318	(1,442)	232,096	430,036	73	430,109

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



INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

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

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

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



INTERIM FINANCIAL REPORT

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
Amendments to MFRS 3: Business Combinations	1 July 2014
Amendments to MFRS 13: Fair Value Measurement	1 July 2014
Amendments to MFRS 116: Property, Plant and Equipment	1 July 2014
Amendments to MFRS 138: Intangible Assets	1 July 2014
Amendments to MFRS 140: Investment Property	1 July 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



INTERIM FINANCIAL REPORT

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.

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, 17,736,500 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, 244,796,900 units of ICULS have been converted to 40,799,482 ordinary shares of RM0.20 each.

c) Treasury Shares

During the current financial year-to-date under review, the Company had repurchased 150,000 ordinary share or 0.03% 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 566,090,431 ordinary shares of RM0.20 each.



INTERIM FINANCIAL REPORT

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

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

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

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

ii. Number and percentage of voting shares in Pantech, and the number of ESOS Options, ICULS and Warrants held by CTL Capital and the PACs as at the latest practicable date prior to disclosure (10 April 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	19.16	-	-	47,463,982	-	17,346,398	-	-
GL Management Agency Sdn Bhd	85,292,843	15.04	-	-	-	-	12,838,130	-	-
Dato' Chew Ting Leng (“ CTL ”)	-	-	108,696,480 ⁽ⁱⁱ⁾	19.16	-	47,463,982 ⁽ⁱⁱ⁾	-	17,346,398 ⁽ⁱⁱ⁾	4,500,000
Dato' Goh Teoh Kean (“ GTK ”)	-	-	85,292,843 ⁽ⁱⁱⁱ⁾	15.04	-	-	-	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	2.35	-	-	-	-	2,111,880	-	3,150,000
Datin Shum Kah Lin (“ SKL ”)	-	-	108,696,480 ^(v)	19.16	-	47,463,982 ^(v)	-	17,346,398 ^(v)	-
Datin Lee Sock Kee (“ LSK ”)	-	-	85,292,843 ^(vi)	15.04	-	-	-	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	38.41	-	-	47,464,582	-	33,856,648	-	14,650,000

Notes:-

- (i) Excluding a total of 3,452,300 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**”).



INTERIM FINANCIAL REPORT

- (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) 100% of the ESOS Option is exercisable as at 10 April 2014.

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	21.48	-	-
GL Management	98,130,973	15.73	-	-
CTL	4,500,000	0.72	133,953,542 ⁽ⁱ⁾	21.48
GTK	4,500,000	0.72	98,130,973 ⁽ⁱⁱ⁾	15.73
TAA	12,737,240	2.04	1,846,000 ⁽ⁱⁱⁱ⁾	0.30
TTW	18,602,260	2.98	-	-
SKL	-	-	138,453,542 ^(iv)	22.20
LSK	-	-	102,630,973 ^(v)	16.46
YYK	1,846,000	0.30	12,737,240 ^(vi)	2.04
TOTAL	274,270,015	43.97	-	-

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

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
Second interim dividend in respect of financial year ended 28 February 2014, paid on 16 January 2014 Single tier dividend of 1.2 sen per ordinary share of RM0.20	6,786	
First interim dividend in respect of financial year ended 28 February 2014, paid on 22 October 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20	6,761	-
Final dividend in respect of financial year ended 28 February 2013, paid on 19 September 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20	6,759	-
Third interim dividend in respect of financial year ended 28 February 2013, paid on 17 April 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20	6,096	-
Second interim dividend in respect of financial year ended 28 February 2013, paid on 16 January 2013 Single tier dividend of 1.2 sen per ordinary share of RM0.20		6,006
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 of 1.2 sen per ordinary share of RM0.20	-	5,393
	26,402	22,747

Subsequent to the interim financial year ended 28 February 2014, the Company had on 16 April 2014 paid a third interim single tier dividend of 1.0 sen per ordinary share of RM0.20 each in respect of financial year ended 28 February 2014 amounting to RM5.7 million.



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.

	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 28 February 2014					
Revenue					
External Revenue	309,750	265,192	-	-	574,942
Intersegment revenue	18,352	33,815	33,039	(85,206)	-
Total revenue	328,102	299,007	33,039	(85,206)	574,942
Segment Profit	39,048	45,819	31,637	(31,012)	85,492
Interest income					1,182
Finance costs					(10,234)
Share of profit of joint venture					18
Share of loss of associate					(543)
Profit before tax					75,915

	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 28 February 2013					
Revenue					
External Revenue	384,745	250,918	-	-	635,663
Intersegment revenue	25,297	48,411	40,695	(114,403)	-
Total revenue	410,042	299,329	40,695	(114,403)	635,663
Segment Profit	64,923	29,010	37,463	(41,394)	90,002
Interest income					1,507
Finance costs					(12,269)
Share of profit of joint venture					71
Share of profit of associate					943
Profit before tax					80,254

* PFF : Represents pipes, fittings and flow controls.



INTERIM FINANCIAL REPORT

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	584,381	672,422
Generated by overseas operation	75,767	77,644
	660,148	750,066
Inter-segments elimination	(85,206)	(114,403)
	574,942	635,663

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:-

	28 February 2014
	RM'000
Corporate guarantees	<u>601,638</u> *

* Represents the total limit of Pantech's corporate guarantee



INTERIM FINANCIAL REPORT

A14 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 28 February 2014 are as follows:

	RM'000
Approved and contracted for	<u>2,698</u>
Analyzed as follows:	
- Property, plant and equipment	<u>2,698</u>



INTERIM FINANCIAL REPORT

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

B1 Review of Performance

	Revenue		Revenue	
	Current Quarter		12 months to	
	28-Feb-2014	28- Feb -2013	28- Feb -2014	28- Feb -2013
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	77,897	91,435	309,750	384,745
Manufacturing	49,867	63,363	265,192	250,918
Investment and Management	-	-	-	-
Consolidated Total	127,764	154,798	574,942	635,663

	Profit Before Taxation		Profit Before Taxation	
	Current Quarter		12 months to	
	28-Feb-2014	28- Feb -2013	28- Feb -2014	28- Feb -2013
	RM'000	RM'000	RM'000	RM'000
Business Segment				
Trading	9,773	13,279	34,344	60,585
Manufacturing	9,311	7,416	44,616	26,344
Investment and Management	50	(1,902)	(3,045)	(6,675)
Consolidated Total	19,134	18,793	75,915	80,254

Trading Division

For the current quarter ended 28 February 2014, the trading division recorded lower external revenue of RM77.90 million (Q4FY13: RM91.43 million) and lower segment profit before tax of RM9.77 million (Q4FY13: RM13.28 million), a decrease of approximately 15% and 26% respectively.

For the 12 months ended 28 February 2014, the trading division recorded lower external revenue of RM309.75 million (12 months FY13: RM384.75 million) and lower segment profit before tax of RM34.34 million (12 months FY13: RM60.59 million), a decrease of approximately 19% and 43% respectively.

The lower revenue for the current quarter and the 12 months ended 28 February 2014 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.



INTERIM FINANCIAL REPORT

B1 Review of Performance (Cont'd)

Manufacturing Division

For the current quarter ended 28 February 2014, the manufacturing division achieved lower external revenue of RM49.87 million (Q4FY13: RM63.36 million) and higher segment profit before tax of RM9.31 million (Q4FY13: RM7.42 million), a decrease in revenue of approximately 21% and an increase in profit before tax of approximately 25%.

The lower revenue for the current quarter is mainly due to lower export sales by manufacturing plant in Malaysia. 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 12 months ended 28 February 2014, the manufacturing division achieved higher external revenue of RM265.19 million (12 months FY13: RM250.92 million) and higher segment profit before tax of RM44.62 million (12 months FY13: RM26.34 million), an increase of approximately 6% and 69% respectively.

The higher revenue for the 12 months ended 28 February 2014 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 increased in profit before tax corresponding the higher revenue achieved by the manufacturing division due to better products mix and positive contribution from previously loss making stainless steel manufacturing plant.

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 28 February 2014, the Group registered lower revenue of RM127.76 million (Q4FY13: RM154.80 million) and a higher profit before taxation of RM19.13 million (Q4FY13: RM18.80 million), a decrease of approximately 17% and an increase of approximately 2% respectively. The weaker revenue performance is mainly due to lower contribution from the trading division, whereas the marginal increase in profit before taxation is mainly due to fair value gain in investment properties from the investment and management division.

For the 12 months ended 28 February 2014, the Group registered lower revenue of RM574.94 million (12 months FY13: RM635.66 million), profit before tax of RM75.92 million (12 months FY13: RM80.25 million) and profit after taxation of RM55.78 million (12 months FY13: RM56.06 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 RM127.76 million compared to RM131.09 million recorded for preceding quarter due to lower export from the manufacturing plant. However due to better receivables collections reducing allowance for slow moving debts and fair value gain



INTERIM FINANCIAL REPORT

in investment properties, profit after taxation has increase to RM14.62 million compared to preceding quarter of RM12.09 million.

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 decision of Petronas to invest in the development of the Pengerang Integrated Complex (PIC) which comprises of a world scale Refinery and Petrochemical Integrated Development (RAPID) and associated facilities in southern Johor, as well as 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. Barring any unforeseen circumstances, the Group expects its overall performance for the next financial year to remain satisfactory.

B4 Variance on Profit Forecast/Profit Guarantee

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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-14 RM'000	28-Feb-13 RM'000	28-Feb-14 RM'000	28-Feb-13 RM'000
Current taxation	3,973	3,982	19,716	22,529
Under/(over) provision of taxation in prior year	(17)	5	408	(1,119)
Transferred from / (to) deferred tax assets	28	245	1,290	2,273
Transferred (from) / to deferred taxation	546	856	(1,197)	553
Crystallization of deferred taxation upon depreciation of revalued assets	(14)	22	(80)	(44)
	4,516	5,110	20,137	24,192



INTERIM FINANCIAL REPORT

Tax expense for the current quarter and financial year-to-date ended 28 February 2014 is derived based on the management's best estimate of the tax charges for the year. The effective tax rate of the Group for the current financial year-to-date is higher than the statutory rate mainly due to certain expenses are not deductible for tax purposes.

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	19,651	57,050
- Hire purchase	3,021	6,063
- Bankers' acceptances, trust receipts and other short term loan	70,985	-
- Onshore foreign currency loan	31,964	-
- Commodity Murabahah Revolving Credit-i	5,000	-
	<u>130,621</u>	<u>63,113</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	9,662	31,964
SGD Dollar	218	569
GB Pound	502	2,752

We are not *Syariah-Compliant* securities based on audited accounts as at 28 February 2013. However, as of 28 February 2014 unaudited accounts, the Board is of the opinion that the Group has met the criteria for *Syariah-Compliant* pending authorities approval.

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.



INTERIM FINANCIAL REPORT

B9 Dividends

The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting, a final single tier dividend of 1 sen per ordinary share of RM0.20 each for the financial year ended 28 February 2014. The details of book closure date and payment date will be announced later.

The final dividend for the previous financial year ended 28 February 2013 was single tier dividend of 1.2 sen per ordinary share of RM0.20 each.

The total dividend per share for the current financial year is 4.4 sen single tier dividend per ordinary share of RM 0.20 each. (FYE 28 February 2013: 4.6 sen single tier dividend per ordinary share of RM 0.20 each)

B10 Earnings Per Share

a) Basic Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-14 RM'000	28-Feb-13 RM'000	28-Feb-14 RM'000	28-Feb-13 RM'000
Net profit attributable to owners of the Company	14,618	13,683	55,779	56,066
Weighted average number of ordinary share in issue ('000)	545,470	477,869	545,470	477,869
Basic earnings per RM0.20 share (sen)	2.68	2.86	10.23	11.73

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.



INTERIM FINANCIAL REPORT

B10 Earnings Per Share (Cont'd)

b) Diluted Earnings Per Share (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 28-Feb-14 RM'000	Preceding Year Corresponding Quarter 28-Feb-13 RM'000	Current Year To Date 28-Feb-14 RM'000	Preceding Year Corresponding Period 28-Feb-13 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	14,618	13,683	55,779	56,066
Impact on income statement upon conversion of ICULS	(7)	(333)	(813)	(1,704)
	14,611	13,350	54,966	54,362
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	545,470	477,869	545,470	477,869
Adjustment for dilutive effect on conversion of ICULS ('000)	37,753	93,611	37,753	93,611
Adjustment for dilutive effect on Exercise of Warrants ('000)	25,427	11,592	25,427	11,592
Adjustment for dilutive effect on Exercise of ESOS options ('000)	22,175	8,718	22,175	8,718
	630,825	591,790	630,825	591,790
Diluted earnings per RM0.20 share (sen)	2.32	2.26	8.71	9.19



INTERIM FINANCIAL REPORT

B11 Share Buy Back

As at end of current quarter, a total of 3,452,300 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 0.523 per share.

B12 Realized and Unrealized Profits / (Losses) disclosure

	As at 28-Feb-14	As at 28-Feb-13
	RM'000	RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	315,930	290,360
- Unrealized	894	(242)
	316,824	290,118
Total share of unappropriated profits from associate company:		
- Realized	2,203	2,981
- Unrealized	(5)	(25)
	2,198	2,956
Total share of unappropriated profits from jointly controlled entity:		
- Realized	385	348
- Unrealized	-	(3)
	385	345
	319,407	293,419
Less: consolidation adjustments	(87,311)	(87,490)
Total Group unappropriated profits	232,096	205,929



INTERIM FINANCIAL REPORT

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Quarter Ended 28-Feb-14 RM'000	Financial Year Ended 28-Feb-14 RM'000
Interest income	505	1,182
Other income including investment income	460	747
Interest expense	(2,123)	(9,423)
Depreciation and amortization	(2,845)	(11,773)
Allowance for impairment and write off of receivables	1,604	(5,292)
Allowance for slow moving and write off of inventories	(14)	(178)
Gain/(loss) on disposal of quoted or unquoted investment or properties	-	6
Impairment of assets	-	-
Realised foreign exchange gain/(loss)	1,179	1,888
Unrealised foreign exchange gain/(loss)	152	734
(Loss)/Gain on derivatives	(8)	(8)
Exceptional items	-	-

Date: 24th April 2014