

INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MAY 2007

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2007 RM'000	Preceding Year Corresponding Quarter* 31/05/2006 RM'000	Current Year To Date 31/05/2007 RM'000	Preceding Year Corresponding Period* 31/05/2006 RM'000
Revenue	79,753	N/A	79,753	N/A
Operating Expenses	(67,858)	N/A	(67,858)	N/A
Other Operating Income	449	N/A	449	N/A
Profit from Operations	12,344	N/A	12,344	N/A
Finance Cost	(1,783)	N/A	(1,783)	N/A
Share of profit in associate company	6	N/A	6	N/A
Share of profit in joint venture company	22	N/A	22	N/A
Profit before taxation	10,589	N/A	10,589	N/A
Taxation	(2,662)	N/A	(2,662)	N/A
Profit for the period	7,927	N/A	7,927	N/A
Attributable To:				
Equity holders of the parent	7,927	N/A	7,927	N/A
Earnings/(loss) per share				
(a) Basic earnings per share (sen)	5.28	N/A	5.28	N/A
(b) Diluted earnings per share(sen)	N/A	N/A	N/A	N/A

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and the accompanying explanatory notes attached to the interim financial reports

Note:-

* There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MAY 2007

	UNAUDITED GROUP 31/05/2007 RM'000	AUDITED GROUP 28/02/2007 RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	25,630	25,279
Prepaid land lease payments	1,380	1,388
Investment Properties	13,087	13,087
Investment In An Associate Company	46	40
Investment In A Joint Venture Company	140	122
Other Investments	2,007	2,007
Deferred Tax Assets	901	901
	<u>43,191</u>	<u>42,824</u>
Current assets		
Inventories	98,978	98,265
Trade and Other Receivables	80,844	66,541
Amount Due from An Associate Company	3,934	229
Fixed Deposits	23,380	23,132
Cash and Bank Balances	6,040	9,736
	<u>213,176</u>	<u>197,903</u>
TOTAL ASSETS	<u>256,367</u>	<u>240,727</u>
EQUITY AND LIABILITIES		
Share Capital	75,000	75,000
Share Premium	16,067	16,067
Reserves	34,632	26,772
	<u>125,699</u>	<u>117,839</u>
Total Equity	<u>125,699</u>	<u>117,839</u>
Non-current liabilities		
Long Term Borrowings	28,650	27,941
Deferred Taxation	2,217	2,217
	<u>30,867</u>	<u>30,158</u>
Current liabilities		
Trade and Other Payables	20,288	15,479
Overdraft and Short Term Borrowings	77,498	75,588
Amount Due to A Joint Venture Company	153	23
Amount Due to An Associate Company	-	2
Taxation	1,862	1,638
	<u>99,801</u>	<u>92,730</u>
Total Liabilities	<u>130,668</u>	<u>122,888</u>
TOTAL EQUITY AND LIABILITIES	<u>256,367</u>	<u>240,727</u>
NET ASSETS PER SHARE OF RM0.50 EACH (RM)	0.84	0.79

The unaudited condensed balance sheet should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and the accompanying explanatory notes attached to the interim financial reports

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MAY 2007

	GROUP 31/05/2007 RM'000	GROUP* 31/05/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,589	N/A
Adjustments for:		
Non-cash items	646	N/A
Non-operating items	1,494	N/A
Operating profit before changes in working capital	12,729	N/A
Changes in working capital:-		
Net changes in current assets	(18,722)	N/A
Net changes in current liabilities	4,943	N/A
Net changes in bills payables	2,685	N/A
Cash generated from operations	1,635	N/A
Interest paid	(1,662)	N/A
Interest received	168	N/A
Tax paid	(2,437)	N/A
Net cash used in operating activities	(2,296)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(804)	N/A
Net cash used in investing activities	(804)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	1,472	N/A
Repayment of borrowings	(758)	N/A
Net cash generated from financing activities	714	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,386)	N/A
EFFECT OF EXCHANGE RATE CHANGES	(67)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,628	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	29,175	N/A

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and the accompanying explanatory notes attached to the interim financial reports.

Note:-

- * There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.



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 31 MAY 2007**

	← Attributable to Equity Holder of the Parent →				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Unappropriated Profit RM'000			
Balance as at 1st March 2007	75,000	16,067	14	26,758	117,839	-	117,839
Currency translation differences	-	-	(67)	-	(67)	-	(67)
Net profit for the period	-	-	-	7,927	7,927	-	7,927
Balance as at 31 May 2007	75,000	16,067	(53)	34,685	125,699	-	125,699

Note:-

* There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and the accompanying explanatory notes attached to the interim financial reports

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A. NOTES TO THE INTERIM FINANCIAL REPORT

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 FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 28 February 2007. 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 year ended 28 February 2007.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the financial year ended 28 February 2007. The Group has adopted the following applicable new and revised Financial Reporting Standards (“FRS”) for financial period beginning 1 March 2007:-

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 March 2007, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was last revalued in 2006.

Upon the adoption of the revised FRS 117 at 1 March 2007, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and certain comparative amounts as at 28 February 2007 have been restated.

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The following comparative amounts have been restated due to the adoption of FRS 117:

	Previously stated RM'000	FRS 117 RM'000	Restated RM'000
At 28 February 2007			
Property, plant and equipment	26,667	(1,388)	25,279
Prepaid land lease payment	-	1,388	1,388

(b) FRS 124: Related Party Disclosure

The adoption of FRS 124 have no financial impact to the Group

(c) New FRS Issued But Not Adopted

(i) Financial period beginning on or after 1 January 2007

- FRS 6 : Exploration for and Evaluation of Mineral Resources
 - FRS 6 is not relevant to the Company's operations
- Amendment to FRS 119₂₀₀₄ : Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
 - Amendment to FRS 119₂₀₀₄ is not relevant to the Group's operations

(ii) Deferred FRS 139 – Financial Instruments: Recognition and Measurement

The Malaysian Accounting Standards Board has yet to announce the effective date of this standard

A2 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 2007 were not subject to any qualification.

A3 Seasonal or cyclical factors

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

A4 Unusual Items due to Their Nature, Size or Incidence

Other than as disclosed, there were no unusual items that affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review

A5 Material changes in estimates

There were no changes in estimates that have a material effect during the quarter under review.

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A6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter and financial year under review.

A7 Dividend Paid

There were no dividends paid during the quarter under review.

A8 Segment Information

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

	Revenue		Profit before tax	
	----- 3 months ended 31 May 2007 -----			
	Current Year to-date RM'000	Preceding Year Corresponding Period (#) RM'000	Current Year to-date RM'000	Preceding Year Corresponding Period (#) RM'000
Trading of PFF*	66,290	N/A	8,321	N/A
Manufacturing of pipe fittings	17,391	N/A	3,639	N/A
Investments and management	691	N/A	242	N/A
	84,372	N/A	12,202	N/A
Inter-segments elimination	(4,619)	N/A	(26)	N/A
	79,753	N/A	12,176	N/A
Unallocated expenses			-	N/A
			12,176	N/A
Interest income			168	N/A
Finance cost			(1,783)	N/A
Share of profit in associate			6	N/A
Share of profit in joint venture			22	N/A
			10,589	N/A

* PFF : Represents pipes, fittings and flow controls

There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.

There is no geographical segment information as the Group is predominantly operating in Malaysia.

A9 Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment brought forward from the preceding audited financial statements for the year ended 28 February 2007.

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A10 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.

A11 Changes in the composition of the Group

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

A12 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 its subsidiaries:-

	31 May 2007
	RM'000
Corporate guarantees	<u><u>59,807</u></u>

A13 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 May 2007 are as follows:

	RM'000
Approved and contracted for	12,879
Approved but not contracted for	<u>5,500</u>
	<u><u>18,379</u></u>
Analysed as follows:	
- Property, plant and equipment	<u>18,379</u>

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

B1 Review of Performance

For the current quarter ended 31 May 2007 under review, the Group achieved revenue of RM79.753 million. In line with the revenue recorded, the Group posted profit before taxation of RM10.589 million and profit after taxation of RM7.927 million.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group registered a higher profit before taxation of RM10.589 million as compared to RM6.572 million in the preceding quarter. The higher profit before taxation achieved was mainly due to increased in manufacturing output and higher sales volume from the trading division in the current quarter

B3 Prospects

The Board is of the opinion that the Group will continue to benefit from the current active onshore and offshore oil and gas exploration and related activities in Malaysia and overseas. Barring any unforeseen circumstances, the Board is confident that the Group is positive with its outlook and prospect.

B4 Variance on Forecast Profit/Profit Guarantee

Save for the profit forecast issued in the prospectus dated 29 January 2007, the Group did not issue any forecast or guarantee for the current quarter and therefore this is not applicable. Disclosure on explanatory notes for the variance between actual and forecast results would only be required in the final quarter results for the Group.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the profit forecast for the financial year ending 29 February 2008 which was announced in the Prospectus dated 29 January 2007 is achievable.

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B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter (#)	Current Year To Date	Preceding Year Corresponding Period (#)
	31-May-07	31-May-06	31-May-07	31-May-06
	RM'000	RM'000	RM'000	RM'000
Current taxation	2,662	N/A	2,662	N/A

There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.

Tax expense for the current quarter and financial year to-date ended 31 May 2007 is derived based on the management's best estimate of the tax rates for the year. The effective tax rate of the Group for the current quarter and financial year to-date is lower than the statutory rate mainly as a result of tax incentive on reinvestment allowance available to a subsidiary of the Group during the current period under review.

B6 Profit on sale of unquoted investments and/or properties

There is no sale of unquoted investment and/or properties for the current quarter and financial year to-date under review.

B7 Quoted securities

There were no purchases or disposals of quoted securities during the financial quarter under review and financial year to date.

B8 Status of corporate proposals

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

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B8 Status of corporate proposals (Cont'd)

Utilisation of IPO Proceeds

Purpose	Proposed utilisation RM'000	Actual utilisation 31-05-2007 RM'000	Intended timeframe for utilisation	Deviation RM'000	%	Explanations
Capital Expenditure	12,000	2,275	By August 2008	9,725	81	Note (i)
Working Capital	9,100	9,100	-	-	-	n/a
Listing expenses	2,500	2,360	-	140	5.6	Note (ii)
	<u>23,600</u>	<u>13,735</u>		<u>9,865</u>		

(i) Progressive utilization within 18 months from the date of Company's listing.

(ii) The saving of RM140,000 has been utilized as working capital of the Group.

B9 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 loans	2,103	6,463
- Hire purchase	1,017	2,187
- Bank overdraft	245	-
- Bankers' acceptances and trust receipts	72,614	-
- Domestic resource factoring	1,097	-
	<u>77,076</u>	<u>8,650</u>
<u>Unsecured:-</u>		
- Collateralised loan obligations	422	20,000
	<u>77,498</u>	<u>28,650</u>

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this quarterly report.

B11 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 does not know 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.

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B12 Dividends

No dividend was proposed or paid for the current financial quarter ended 31 May 2007 under review.

B13 Earnings Per Share (Sen)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-07 RM'000	Preceding Year Corresponding Quarter (#) 31-May-06 RM'000	Current Year To Date 31-May-07 RM'000	Preceding Year Corresponding Period (#) 31-May-06 RM'000
Basic earnings per share				
Net profit attributable to shareholders	7,927	N/A	7,927	N/A
Weighted average number of shares at the end the period ('000)	150,000	N/A	150,000	N/A
Basic earnings per share (sen)	5.28	N/A	5.28	N/A
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

There is no comparative figures available as this is the third set of quarterly report announced by the Company in compliance with Bursa Malaysia Securities Berhad's requirements. The Group was formed on 10 November 2006.

Date: 23rd July 2007