



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2009

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/02/2009 RM'000	Preceding Year Corresponding Quarter 29/02/2008 RM'000	Current Year To Date 28/02/2009 RM'000	Preceding Year Corresponding Period 29/02/2008 RM'000
Revenue	139,354	75,696	511,183	313,323
Operating Expenses	(123,707)	(64,989)	(421,849)	(265,662)
Other Operating Income	195	1,996	1,137	4,206
Profit from Operations	15,842	12,703	90,471	51,867
Finance Cost	(3,044)	(1,616)	(9,985)	(6,998)
Share of profit in associate company	125	89	1,398	107
Share of profit in joint venture company	(19)	(6)	88	45
Profit before taxation	12,904	11,170	81,972	45,021
Taxation	(4,122)	(2,933)	(22,339)	(10,879)
Profit for the period	8,782	8,237	59,633	34,142
Attributable To:				
Equity holders of the parent	8,782	8,237	59,633	34,142
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	2.35	2.20	15.94	9.10
(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 29 February 2008 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 BALANCE SHEET
AS AT 28 FEBRUARY 2009**

	UNAUDITED GROUP 28/02/2009 RM'000	AUDITED GROUP 29/02/2008 RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	54,802	48,520
Prepaid land lease payments	6,141	2,270
Investment Properties	3,040	3,040
Investment In An Associate Company	1,545	147
Investment In A Joint Venture Company	262	167
Other Investments	7	2,007
Capital work-in-progress	-	787
Deferred Tax Assets	645	645
	<u>66,442</u>	<u>57,583</u>
Current assets		
Inventories	202,717	140,829
Trade and Other Receivables	58,069	69,827
Amount Due from An Associate Company	47,038	4,032
Fixed Deposits	1,770	1,705
Cash and Bank Balances	32,068	3,995
	<u>341,662</u>	<u>220,388</u>
TOTAL ASSETS	<u>408,104</u>	<u>277,971</u>
EQUITY AND LIABILITIES		
Share Capital	75,000	75,000
Share Premium	16,067	16,067
Treasury Shares	(380)	-
Reserves	107,370	55,407
Total Equity	<u>198,057</u>	<u>146,474</u>
Non-current liabilities		
Long Term Borrowings	31,904	28,796
Deferred Taxation	3,256	2,934
	<u>35,160</u>	<u>31,730</u>
Current liabilities		
Trade and Other Payables	35,989	20,545
Overdraft and Short Term Borrowings	128,684	76,383
Amount Due to A Joint Venture Company	16	229
Tax payable	10,198	2,610
	<u>174,887</u>	<u>99,767</u>
Total Liabilities	<u>210,047</u>	<u>131,497</u>
TOTAL EQUITY AND LIABILITIES	<u>408,104</u>	<u>277,971</u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.53	0.39

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to the interim financial reports

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2009**

	GROUP 28/02/2009 RM'000	GROUP 29/02/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	81,972	45,021
Adjustments for:		
Non-cash items	21,236	1,925
Non-operating items	8,647	5,969
Operating profit before changes in working capital	111,855	52,915
Changes in working capital:-		
Net changes in current assets	(106,979)	(49,624)
Net changes in current liabilities	13,190	5,457
Net changes in bills payables	51,524	884
Cash generated from operations	69,590	9,632
Dividend paid	(7,804)	(5,505)
Dividend received	46	-
Interest paid	(9,125)	(6,620)
Interest received	430	651
Tax paid	(14,389)	(8,845)
Net cash generated from/ (used in) operating activities	38,748	(10,687)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,837)	(16,382)
Purchase of prepaid land lease payment	(3,950)	(926)
Proceeds from disposal of investment properties	-	2,129
Proceeds from disposal of property, plant and equipment	171	44
Capital work-in-progress incurred		(788)
Net cash used in investing activities	(13,616)	(15,923)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares buy back	(380)	-
Drawdown of borrowings	6,138	3,042
Repayment of borrowings	(2,092)	(3,152)
Net cash generated from/(used in) financing activities	3,666	(110)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	28,798	(26,720)
EFFECT OF EXCHANGE RATE CHANGES	134	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,906	31,628
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	33,838	4,906

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 and the accompanying explanatory notes attached to the interim financial reports.



PANTECH GROUP HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2009**

	← Attributable to Equity Holder of the Parent →						Minority Interest RM'000	Total Equity RM'000
	← Non-Distributable →		Exchange Reserve RM'000	Treasury Shares RM'000	Unappropriated Profit RM'000	Total RM'000		
	Share Capital RM'000	Share Premium RM'000						
Balance as at 1 March 2007	75,000	16,067	14	-	26,758	117,839	-	117,839
Currency translation differences	-	-	(2)	-	-	(2)	-	(2)
Net profit for the period	-	-	-	-	34,142	34,142	-	34,142
Final dividend paid to shareholders	-	-	-	-	(3,285)	(3,285)	-	(3,285)
Interim dividend paid to shareholders	-	-	-	-	(2,220)	(2,220)	-	(2,220)
Balance as at 29 February 2008	75,000	16,067	12	-	55,395	146,474	-	146,474
Balance as at 1 March 2008	75,000	16,067	12	-	55,395	146,474	-	146,474
Buy back of shares	-	-	-	(380)	-	(380)	-	(380)
Currency translation differences	-	-	134	-	-	134	-	134
Net profit for the period	-	-	-	-	59,633	59,633	-	59,633
Final dividend paid to shareholders	-	-	-	-	(3,308)	(3,308)	-	(3,308)
Interim dividend paid to shareholders	-	-	-	-	(4,496)	(4,496)	-	(4,496)
Balance as at 28 February 2009	75,000	16,067	146	(380)	107,224	198,057	-	198,057

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 29 February 2008 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 29 February 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 29 February 2008.

(a) Adoption of New and Revised Financial Reporting Standards

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 29 February 2008. The Group has adopted the following applicable new and revised Financial Reporting Standards (“FRS”) for financial period beginning 1 March 2008:-

- | | |
|-------------------------------|---|
| 1) Amendment to FRS121 | - The Effects of Changes in Foreign Exchange Rates
- Net Investment in a Foreign Operation |
| 2) FRS 107 | - Cash Flow Statements |
| 3) FRS 112 | - Income Taxes |
| 4) FRS 118 | - Revenue |
| 5) FRS 137 | - Provision, Contingent Liabilities and Contingent Assets |

The adoption of the above Amendments and FRSs does not have any material impact on the financial statements of the Group and of the Company.



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(b) New FRS and IC Interpretations Issued but Not Adopted

The following FRS and IC Interpretations which are effective for financial period beginning on or after 1 July 2007 are not applicable to the Group:-

- 1) **IC Interpretation 1** - Changes in Existing Decommissioning, Restoration and Similar Liabilities
- 2) **IC Interpretation 2** - Members' Shares in Co-operative Entities and Similar Instruments
- 3) **IC Interpretation 5** - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- 4) **IC Interpretation 6** - Liabilities arising from Participating in a Specific Market – Waste Electrical and Electrical and Electronic Equipment
- 5) **IC Interpretation 7** - Applying the Restatement Approach under FRS129₂₀₀₄ Financial Reporting in Hyperinflationary Economies
- 6) **IC Interpretation 8** - Scope of FRS2
- 7) **FRS 111** - Construction Contracts
- 8) **FRS 120** - Accounting for Government Grants and Disclosure of Government Assistance

(c) The following are the standards and IC Interpretations that not yet effective and has not been early adopted by the Company:-

- 1) FRS 139 - Financial Instruments: Recognition and Measurement
- 2) FRS 4 – Insurance Contracts
- 3) FRS 7 – Financial Instruments: Disclosures
- 4) FRS 8 – Operating Segments
- 5) IC Interpretation 9 – Reassessment of Embedded Derivatives
- 6) IC Interpretation 10 – Interim Financial Reporting and Impairment

The above standards and IC Interpretations shall be effective for accounting period beginning on or after 1 January 2010 except for FRS 8 - Operating Segments, which shall apply to accounting period beginning on or after 1 July 2009.



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A2 Audit report of preceding annual financial statement

The audited financial statements of the Company and its subsidiary companies for the financial year ended 29 February 2008 were not subject to any audit 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

There were no unusual items that affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review, except for provision for write down of stock of RM 9.24 million.

A5 Material changes in estimates

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

A6 Debt and equity securities

During the current financial year-to-date, the Company has repurchased 820,800 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM 0.463 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company for the current financial year ended 28 February 2009.



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A7 Dividend Paid

	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Final dividend in respect of financial year ended 29 February 2008, paid on 19 September 2008		
- Single tier dividend of 0.66 sen per ordinary share of RM0.20	2,475	
- Franked dividend of 0.30 sen per ordinary share of RM0.20 less 26% income tax	833	
Interim dividend in respect of financial year ended 28 February 2009, paid on 13 January 2009		
- Single tier dividend of 1.2 sen per ordinary share of RM0.20	4,496	
Final dividend in respect of financial year ended 28 February 2007, paid on 17 September 2007		
- Franked dividend of 3 sen per ordinary share of RM0.50 less 27% income tax		3,285
Interim dividend in respect of financial year ended 29 February 2008, paid on 10 December 2007		
- Franked dividend of 2 sen per ordinary share of RM0.50 less 26% income tax		2,220
	7,804	5,505



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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	
	----- 12 months ended 28 February 2009 -----		----- 28 February 2009 -----	
	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*	428,041	265,097	73,747	36,279
Manufacturing of pipe fittings	116,227	71,126	16,567	14,730
Investments and management	21,361	9,065	19,471	7,883
	565,629	345,288	109,785	58,892
Inter-segments elimination	(54,446)	(31,965)	(19,744)	(7,676)
	511,183	313,323	90,041	51,216
Unallocated expenses			-	-
			90,041	51,216
Interest income			430	651
Finance cost			(9,985)	(6,998)
Share of profit in associate			1,398	107
Share of profit in joint venture			88	45
			81,972	45,021

* PFF : Represents pipes, fittings and flow controls

Analysis of the Group's revenue by geographical segments:

	Revenue	
	---- 12 months ended 28 February 2009 ----	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	510,745	308,418
Generated by overseas operation	54,884	36,870
	565,629	345,288
Inter-segments elimination	(54,446)	(31,965)
	511,183	313,323

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 29 February 2008.



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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 for its subsidiaries:-

	28 February 2009
	RM'000
Corporate guarantees	<u><u>452,821</u></u>

A13 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 28 February 2009 are as follows:

	RM'000
Approved and contracted for	5,633
Approved but not contracted for	<u>4,438</u>
	<u><u>10,071</u></u>
Analyzed as follows:	
- Property, plant and equipment	<u>10,071</u>



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

B1 Review of Performance

For the financial year ended 28 February 2009, the Group's revenue increased by 63% from RM313.3 million to RM511.2 million. In line with the revenue recorded, the Group posted higher profit before taxation of RM82 million (FYE08: RM45 million) and higher profit after taxation of RM59.6 million (FYE08: RM34.1 million), an increase of 82% and 75% respectively.

For the current quarter under review with comparison to last year corresponding quarter, the Group registered higher revenue of RM139.4 million (FY08Q4: RM75.7 million). Despite higher revenue achieved, the Group's profit before tax and profit after tax remain comparable to last year corresponding quarter due mainly to a provision for write down of stock of RM9.24 million.

The better performance for current financial year ended 28 February 2009 with comparison to last financial year is mainly attributed to higher manufacturing output, higher sales volume, better product mix from the trading division and contribution from overseas operation.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group's revenue increased marginally from RM132.8 million to RM139.4 million. The Group registered a lower profit after taxation of RM8.78 million for current quarter, as compared to preceding quarter of RM17.25 million, reflecting the provision for write down of stock of RM9.24 million in current quarter.

B3 Prospects

The slowdown of global economy has adversely affected the world's business activities and has created a more challenging environment. The duration, extent and impact of the persisting global financial meltdown are uncertain even while there are tender shoot signs of an economic recovery and increased liquidity in the financial system. Therefore, the Board will adopt a cautious approach to monitor the situation and mitigate any negative impact through diligent administration of operation cost controls and cash flows.

In view of the above, the Board foresees the next financial year will be a challenging year for the Group. Barring any unforeseen circumstances, the Board believes that the performance of the Group for next financial year will be in line with the overall performance of the oil and gas fabrication and other service sector while the long term outlook of the oil and gas industry continues to be positive.



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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-09	29-Feb-08	28-Feb-09	29-Feb-08
	RM'000	RM'000	RM'000	RM'000
Current taxation	3,801	1,444	22,597	9,714
(Over)/under provision in prior year	-	516	(579)	192
Deferred taxation	321	973	321	973
	4,122	2,933	22,339	10,879

Tax expense for the current quarter and financial year to-date ended 28 February 2009 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 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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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>Unsecured:-</u>		
- Term loans	2,852	10,478
- Hire purchase	1,145	1,426
- Bankers' acceptances, trust receipts and other short term loan	112,416	-
- Collateralised loan obligations	831	20,000
- Onshore foreign currency loan	11,440	-
	<u>128,684</u>	<u>31,904</u>

B10 Off Balance Sheet Financial Instruments

As at end of current financial year, the Group has the amount of forward exchange contracts with licensed banks as hedges for sales amounted to RM16.18 million. The settlement periods for these contracts are ranging from one to five months.

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.

B12 Dividends

a) i) The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting, a final single tier dividend of 1.0 sen per ordinary share of RM0.20 each amounting to RM 3,750,000 for the financial year ended 28 February 2009. The details of book closure date and payment date will be announced later.

ii) The final dividend for the previous financial year ended 29 February 2008 was 0.96 sen per ordinary share of RM0.20 each consists of single tier dividend of 0.66 sen and franked dividend of 0.30 sen less 26% tax per ordinary share.

b) i) The total dividend per share for the current financial year is single tier dividend of 3.0 sen per ordinary share of RM 0.20 each.

ii) Total dividend for the previous financial year ended 29 February 2008:

- Interim dividend of 2 sen per ordinary share of RM 0.50 less 26% income tax;

- Final dividend of 0.96 sen per ordinary share of RM0.20 each consists of single tier dividend of 0.66 sen and franked dividend of 0.30 sen less 26% tax per ordinary share.



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B13 Earnings Per Share (Sen)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-09	29-Feb-08	28-Feb-09	29-Feb-08
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Net profit attributable to shareholders	8,782	8,237	59,633	34,142
Weighted average number of shares at the end of period ('000)	374,179	375,000*	374,179	375,000*
Basic earnings per RM0.20 share (sen)	2.35	2.20	15.94	9.10
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Note: * In accordance with the Financial Reporting Standard FRS 133 – Earnings Per Share, the effect of share split on the computation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. Therefore, the number of ordinary shares has been adjusted for the share split of sub-dividing every existing one (1) ordinary share of RM0.50 each into two and one half (2.5) new ordinary shares of RM0.20 each in the Company which was completed on 14 May 2008.

Date: 27th April 2009