



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2010**

	Third Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2010 RM'000	Preceding Year Corresponding Quarter 30/11/2009 RM'000	Current Year To Date 30/11/2010 RM'000	Preceding Year Corresponding Period 30/11/2009 RM'000
Revenue	75,428	92,219	262,872	335,512
Operating Expenses	(66,854)	(75,695)	(228,757)	(276,084)
Other Operating Income	486	443	1,443	1,156
Profit from Operations	9,060	16,967	35,558	60,584
Finance Cost	(1,628)	(1,569)	(4,471)	(5,253)
Share of (loss)/profit in associate company	(141)	146	(8)	624
Share of profit in joint venture company	8	47	94	51
Profit before taxation	7,299	15,591	31,173	56,006
Taxation	(1,107)	(3,842)	(7,266)	(15,944)
Profit for the period	6,192	11,749	23,907	40,062
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operation	352	(63)	(74)	220
Fair value loss on cash flow hedge	(99)	-	(30)	-
Total comprehensive income for the period	6,445	11,686	23,803	40,282
Profit/(Loss) for the period attributable to:				
Owners of the Company	6,193	11,749	23,914	40,062
Non-controlling interests	(1)	-	(7)	-
	6,192	11,749	23,907	40,062
Total comprehensive income for the period attributable to:				
Owners of the Company	6,446	11,686	23,810	40,282
Non-controlling interests	(1)	-	(7)	-
	6,445	11,686	23,803	40,282
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.38	2.62	5.33	8.92
(b) Diluted earnings per RM0.20 share(sen)	1.35	N/A	5.22	N/A

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 2010 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 FINANCIAL POSITION
AS AT 30 NOVEMBER 2010**

	30/11/2010 RM'000	28/02/2010 RM'000 (Restated)
ASSETS		
Non-Current assets		
Property, Plant And Equipment	55,157	58,322
Prepaid land lease payments	18,757	18,894
Investment Properties	3,040	3,040
Investment In An Associate Company	1,747	1,771
Investment In A Joint Venture Company	416	324
Available-for-sale Investment	7	7
Capital work-in-progress	38,672	167
Deferred Tax Assets	1,069	2,719
	<u>118,865</u>	<u>85,244</u>
Current assets		
Inventories	162,948	153,668
Trade and Other Receivables	66,814	47,907
Amount Due from An Associate Company	16,903	41,340
Fixed Deposits	9,534	10,330
Cash and Bank Balances	70,770	52,286
	<u>326,969</u>	<u>305,531</u>
TOTAL ASSETS	<u><u>445,834</u></u>	<u><u>390,775</u></u>
EQUITY AND LIABILITIES		
Share Capital	89,973	75,000
Share Premium	1,126	16,067
Treasury Shares	(380)	(380)
Reserves	160,101	142,204
Equity attributable to owners of the Company	<u>250,820</u>	<u>232,891</u>
Non-controlling Interest	93	#
Total Equity	<u>250,913</u>	<u>232,891</u>
Non-current liabilities		
Long Term Borrowings	50,172	22,381
Deferred Taxation	3,539	3,539
	<u>53,711</u>	<u>25,920</u>
Current liabilities		
Trade and Other Payables	29,302	23,364
Overdraft and Short Term Borrowings	104,035	97,179
Amount Due to A Joint Venture Company	304	79
Derivative financial Instruments	30	-
Tax payable	1,926	5,729
Dividend Payable	5,613	5,613
	<u>141,210</u>	<u>131,964</u>
Total Liabilities	<u>194,921</u>	<u>157,884</u>
TOTAL EQUITY AND LIABILITIES	<u><u>445,834</u></u>	<u><u>390,775</u></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.56	0.62

Note: # RM 1.00

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 2010 and the accompanying explanatory notes attached to the interim financial reports

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2010**

	GROUP 30/11/2010 RM'000	GROUP 30/11/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,173	56,006
Adjustments for:		
Non-cash items	(3,384)	7,618
Non-operating items	3,005	4,498
Operating profit before changes in working capital	30,794	68,122
Changes in working capital:-		
Net changes in current assets	7,661	10,293
Net changes in current liabilities	6,427	(494)
Net changes in bills payables	24,076	(31,001)
Cash generated from operations	68,958	46,920
Dividend paid	(10,103)	(6,735)
Dividend received	-	75
Interest paid	(3,831)	(4,794)
Interest received	826	221
Tax paid	(9,757)	(14,956)
Net cash generated from operating activities	46,093	20,731
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from minority interest on subscription of shares	100	-
Purchase of property, plant and equipment	(621)	(7,316)
Proceeds from disposal of property, plant and equipment	102	69
Capital work-in-progress incurred	(38,506)	-
Net cash used in investing activities	(38,925)	(7,247)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issue	22	-
Drawdown of borrowings	37,755	4,861
Repayment of borrowings	(27,183)	(2,795)
Net cash generated from financing activities	10,594	2,066
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,762	15,550
EFFECT OF EXCHANGE RATE CHANGES	(74)	220
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	62,616	33,857
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	80,304	49,627

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 2010 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 30 NOVEMBER 2010**

	← Attributable to Owners of the Company →							Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →					Treasury Shares RM'000	Unappropriated Profit RM'000			
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Exchange Reserve RM'000	Hedging Reserve RM'000	Treasury Shares RM'000	Unappropriated Profit RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance as at 1 March 2009	75,000	16,067	-	147	-	(380)	109,051	199,885	-	199,885
Total comprehensive income for the period	-	-	-	220	-	-	40,062	40,282	-	40,282
Interim dividend paid to shareholders	-	-	-	-	-	-	(2,994)	(2,994)	-	(2,994)
Final dividend paid to shareholders	-	-	-	-	-	-	(3,741)	(3,741)	-	(3,741)
Balance as at 30 November 2009	<u>75,000</u>	<u>16,067</u>	<u>-</u>	<u>367</u>	<u>-</u>	<u>(380)</u>	<u>142,378</u>	<u>233,432</u>	<u>-</u>	<u>233,432</u>
Balance as at 1 March 2010	75,000	16,067	-	242	-	(380)	141,962	232,891	#	232,891
Issuance of shares under ESOS	5	17	-	-	-	-	-	22	-	22
Share Option granted under ESOS	-	-	4,200	-	-	-	-	4,200	-	4,200
Transfer to share premium for share option exercised	-	10	(10)	-	-	-	-	-	-	-
Bonus issue	14,968	(14,968)	-	-	-	-	-	-	-	-
Increase Share Capital in subsidiary company	-	-	-	-	-	-	-	-	100	100
Total comprehensive income for the period	-	-	-	(74)	(30)	-	23,914	23,810	(7)	23,803
First Interim dividend payable to shareholders	-	-	-	-	-	-	(5,613)	(5,613)	-	(5,613)
Final dividend paid to shareholders	-	-	-	-	-	-	(4,490)	(4,490)	-	(4,490)
Balance as at 30 November 2010	<u>89,973</u>	<u>1,126</u>	<u>4,190</u>	<u>168</u>	<u>(30)</u>	<u>(380)</u>	<u>155,773</u>	<u>250,820</u>	<u>93</u>	<u>250,913</u>

Note: # RM 1.00

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 2010 and the accompanying explanatory notes attached to the interim financial reports



INTERIM FINANCIAL REPORT

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 2010. 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 2010.

(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 2010, except for adoption of the following new and revised FRSs, Amendments to FRSs and IC Interpretations which are effective for financial period beginning 1 March 2010:-

FRSs, Amendments to FRSs and IC Interpretations

Amendments to FRS 1	- First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	- Share-based Payment
FRS 4	- Insurance Contracts
Amendments to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations
FRS 7	- Financial Instruments: Disclosures
Amendments to FRS 7	- Financial Instruments: Disclosures
FRS 8	- Operating Segments
Amendment to FRS 8	- Operating Segments
FRS 101	- Presentation of Financial Statements
Amendment to FRS 101	- Presentation of Financial Statements
Amendment to FRS 107	- Statement of Cash Flows
Amendment to FRS 108	- Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	- Events After the Reporting Period
Amendment to FRS 116	- Property, Plant and Equipment
Amendment to FRS 117	- Leases
Amendment to FRS 118	- Revenue



INTERIM FINANCIAL REPORT

Amendment to FRS 119	- Employee Benefits
Amendment to FRS 120	- Accounting for Government Grants and Disclosure of Government Assistance
FRS 123	- Borrowing Costs
Amendments to FRS 123	- Borrowing Costs
Amendments to FRS 127	- Consolidated and Separate Financial Statements
Amendments to FRS 128	- Investments in Associates
Amendment to FRS 129	- Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	- Interests in Joint Ventures
Amendments to FRS 132	- Financial Instruments: Presentation
Amendments to FRS 134	- Interim Financial Reporting
Amendments to FRS 136	- Impairment of Assets
Amendments to FRS 138	- Intangible Assets
FRS 139	- Financial Instruments: Recognition and Measurement
Amendment to FRS 139	- Financial Instruments: Recognition and Measurement
Amendments to FRS 140	- Investment Property
IC Interpretation 9	- Reassessment of Embedded Derivatives
IC Interpretation 10	- Interim Financial Reporting and Impairment
IC Interpretation 11	- FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	- Customer Loyalty Programmes
IC Interpretation 14	- FRS 119 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

(b) FRSs, Amendments to FRSs and IC Interpretations Issued but Not Adopted

All the above IC Interpretations 9,13,14, FRS 4, amendments to FRS 1,5,120,129 and 138 are not applicable to the Group Operations.

The following are the standards and IC Interpretations which are not yet effective and have not been early adopted by the Group, which are mandatory for financial period beginning on or after 1 July 2010:-

FRS 1	- First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	- Share-Based Payment
FRS 3	- Business Combinations
Amendments to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations
FRS 127	- Consolidated and Separate Financial Statements
Amendments to FRS 138	- Intangible Assets



INTERIM FINANCIAL REPORT

Amendments to IC Interpretation 9	- Reassessment of Embedded Derivatives
IC Interpretation 12	- Service Concession Arrangements
IC Interpretation 15	- Agreements for the Construction of Real Estate
IC Interpretation 16	- Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	- Distributions of Non-Cash Assets to Owners

The followings are the standards and the IC Interpretations which are not yet effective and have not been early adopted by the Group, which are mandatory for financial period beginning on or after 1 January 2011: -

Amendments to FRS 1	- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	- Additional Exemption for First-time Adopters
Amendments to FRS 2	- Share Based Payment
Amendments to FRS 7	- Improving Disclosures about Financial Instruments
IC Interpretation 4	- Determining whether An Arrangement contains a Lease
IC Interpretation 18	- Transfer of Assets from Customers

Adoption of these new and revised FRSs, Amendments to FRS and IC Interpretations will have no material impact on financial statements of the Group, except for the following:-

FRS 101 (revised) Presentation of Financial Statements

Before adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. After adoption of the revised FRS 101 in 2010, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income. The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity. Comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and does not have any impact on the financial position and results of the Group.



INTERIM FINANCIAL REPORT

FRS 123 Borrowing Costs

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognize all borrowing costs immediately as an expense. The Group shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 139 Financial Instruments: Recognition and Measurement

The new standard on FRS 139 Financial Instruments: Recognition and Measurement establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at statement of financial position date reflects the designation of the financial instruments.

1. Available-for-sale investment

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortization of premium and accretion of discount less impairment of at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial assets is measured at fair value initially and subsequently with amortization of premium with accretion of discount and other accrual of income recognized in statement of comprehensive income and with unrealized gains or losses recognized as other comprehensive income in the AFS reserve until the investment is derecognized at which time the cumulative gain or loss recognized in the statement of comprehensive income of determined to be impaired, at which time the cumulative loss is recognized in the statement of comprehensive income and removed from the AFS reserve.

2. Derivative Financial Instruments

The Group designated certain derivative as hedges of a particular risk associated with a recognized asset of liability or a highly probable forecast transaction (cash flow hedge). The Group has entered into:

- a) Foreign currency forward contracts which is a cash flow hedge for the Group's exposure to fluctuation of currency.



INTERIM FINANCIAL REPORT

In accordance with transitional provision of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives as at 28 February 2010 are not restated. The effects of the changes have been accounted for by adjusting the following opening balances on 1 March 2010:

	As previously reported As at 28.2.2010	Effects of adopting FRS 139	After effects of adopting FRS 139 As at 1.3.2010
	RM'000	RM'000	RM'000
Other investment	7	(7)	-
Available-for-sale investment	-	7	7

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 2010 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.

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

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company:

a) Employees' Share Option Scheme ("ESOS")

During the 9 months ended 30 November 2010, the Company issued 26,000 ordinary shares of RM0.20 each for cash pursuant to the Company's ESOS, these shares were issued from the exercised of 26,000 ESOS option at an exercise price of RM0.86 per unit

b) 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



INTERIM FINANCIAL REPORT

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 (21 January 2011);

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 ⁽ⁱ⁾	Indirect ⁽ⁱ⁾	Direct ⁽ⁱ⁾	Indirect ⁽ⁱ⁾	
CTL Capital	101,196,480	22.43	-	-	173,463,982	-	17,346,398	-	-
GL Management Agency Sdn Bhd	74,895,960	16.60	-	-	128,381,300	-	12,838,130	-	-
Dato' Chew Ting Leng ("CTL")	-	-	101,196,480 ⁽ⁱⁱ⁾	22.43	-	173,463,982 ⁽ⁱⁱ⁾	-	17,346,398 ⁽ⁱⁱ⁾	4,500,000
Dato' Goh Teoh Kean ("GTK")	-	-	74,895,960 ⁽ⁱⁱⁱ⁾	16.60	-	128,381,300 ⁽ⁱⁱⁱ⁾	-	12,838,130 ⁽ⁱⁱⁱ⁾	4,500,000
Tan Ang Ang ("TAA")	7,944,600	1.76	1,278,000 ^(iv)	0.28	13,472,400	2,130,000 ^(iv)	1,347,240	213,000 ^(iv)	4,500,000
To Tai Wai ("TTW")	12,320,580	2.73	-	-	21,118,800	-	2,111,880	-	3,150,000
Datin Shum Kah Lin ("SKL")	-	-	101,196,480 ^(v)	22.43	-	173,463,982 ^(v)	-	17,346,398 ^(v)	-
Datin Lee Sock Kee ("LSK")	-	-	74,895,960 ^(vi)	16.60	-	128,381,300 ^(vi)	-	12,838,130 ^(vi)	-
Yong Yui Kiew ("YYK")	1,278,000	0.28	7,944,600 ^(vii)	1.76	2,130,000	13,472,400 ^(vii)	213,000	1,347,240 ^(vii)	-
TOTAL	197,635,620	43.80	-	-	338,566,482	-	33,856,648	-	16,650,000

Notes:-

- (i) Pursuant to the Bonus Issue and Rights Issue which were completed on 29 November 2010 and 27 December 2010, respectively.



INTERIM FINANCIAL REPORT

- (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 20% of the ESOS Option is exercisable as at 21 January 2011.

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	147,453,542	26.42	-	-
GL Management	109,130,973	19.56	-	-
CTL	4,500,000	0.81	147,453,542 ⁽ⁱ⁾	26.42
GTK	4,500,000	0.81	109,130,973 ⁽ⁱⁱ⁾	19.56
TAA	16,037,240	2.87	1,846,000 ⁽ⁱⁱⁱ⁾	0.33
TTW	21,102,260	3.78	-	-
SKL	-	-	151,953,542 ^(iv)	27.23
LSK	-	-	113,630,973 ^(v)	20.36
YYK	1,846,000	0.33	16,037,240 ^(vi)	2.87
TOTAL	304,570,015	54.58	-	-

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

A7 Dividend Paid

	Current Year	Preceding Year
	To-date	Corresponding Period
	RM'000	RM'000
Final dividend in respect of financial year ended 28 February 2010, paid on 22 September 2010 - Single tier dividend of 1.2 sen per ordinary share of RM0.20	4,490	
Special Second Interim dividend in respect of financial year ended 28 February 2010, paid on 20 April 2010 - Single tier dividend of 1.5 sen per ordinary share of RM0.20	5,613	
Final dividend in respect of financial year ended 28 February 2009, paid on 15 September 2009 - Single tier dividend of 1.0 sen per ordinary share of RM0.20		3,741
Special Second Interim dividend in respect of financial year ended 28 February 2009, paid on 12 May 2009 - Single tier dividend of 0.8 sen per ordinary share of RM0.20		2,994
	10,103	6,735

Subsequent to the interim financial period ended 30 November 2010, the company had on 3 December 2010 paid a first interim single tier dividend of 1.0 sen per ordinary share and a special interim single tier dividend of 0.5 sen per ordinary share of RM0.20 each in respect of financial year ended 28th February 2011 amounting to RM 5.6 million.



INTERIM FINANCIAL REPORT

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	
	-----9 months ended 30 November 2010 -----			
	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*	211,389	311,767	35,652	55,493
Manufacturing of pipe fittings	70,668	44,677	4,446	4,869
Investments and management	20,774	13,859	14,875	12,462
	302,831	370,303	54,973	72,824
Inter-segments elimination	(39,959)	(34,791)	(20,241)	(12,461)
	262,872	335,512	34,732	60,363
Unallocated expenses			-	-
			34,732	60,363
Interest income			826	221
Finance cost			(4,471)	(5,253)
Share of (loss) / profit in associate			(8)	624
Share of profit in joint venture			94	51
			31,173	56,006

* PFF : Represents pipes, fittings and flow controls

Analysis of the Group's revenue by geographical segments:

	Revenue	
	-----9 months ended 30 November 2010 -----	
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	290,196	331,841
Generated by overseas operation	12,635	38,462
	302,831	370,303
Inter-segments elimination	(39,959)	(34,791)
	262,872	335,512

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 2010.

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.



INTERIM FINANCIAL REPORT

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 financial institutions and supplier for credit facilities granted to its subsidiaries:-

30 November 2010

RM'000

Corporate guarantees	<u>516,229</u> *
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* Represents the total limit of Pantech's corporate guarantee

A13 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 November 2010 are as follows:

RM'000

Approved and contracted for	<u>11,773</u>
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Analyzed as follows:

- Property, plant and equipment	<u>11,773</u>
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INTERIM FINANCIAL REPORT

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

B1 Review of Performance

For the nine months ended 30 November 2010, the Group registered lower revenue of RM262.9 million (FY10 same period: RM335.5 million) due mainly to lower sales volume from trading division. In line with the lower trading revenue achieved and manufacturing division affected by higher material costs and weakening US Dollar, the Group posted a lower profit before taxation of RM31.1 million (FY10 same period: RM56.0 million) and profit after taxation of RM23.9 million (FY10 same period: RM40.0 million).

For the current quarter under review with comparison to last year corresponding quarter, the Group registered lower revenue of RM75.4 million (FY10Q3: RM92.2 million) due mainly to lower sales volume from trading division. In line with the lower trading revenue achieved and manufacturing division affected by higher material costs and weakening US Dollar, the group posted a lower profit after taxation of RM6.2 million (FY10Q3: RM 11.7 million).

B2 Variation of results against preceding quarter

In the current quarter under review, the Group reported lower revenue of RM75.4 million compared to RM97.1 million recorded for preceding quarter due mainly to lower sales volume from trading division. In line with the lower revenue recorded, the group posted a lower profit after taxation of RM6.2 million compared to preceding quarter of RM9.3 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 down-stream industries.

The current soft market demand continues to affect the Group performance for the current financial year. However, the Group is of the view that the long term outlook of the oil and gas industries is continue to be positive with the expected multi billions oil and gas investment under Economic Transformation Programme (ETP) announced recently by the Government of Malaysia. 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.



INTERIM FINANCIAL REPORT

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Nov-10 RM'000	30-Nov-09 RM'000	30-Nov-10 RM'000	30-Nov-09 RM'000
Current taxation	1,673	3,933	6,253	16,035
Over provision in prior year	(637)	(91)	(637)	(91)
Transferred from deferred tax assets	71	-	1,650	-
	<u>1,107</u>	<u>3,842</u>	<u>7,266</u>	<u>15,944</u>

Tax expense for the current quarter and financial year to-date ended 30 November 2010 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 lower than the statutory rate mainly due to the over provision in prior year.

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

a) All the corporate proposals announced earlier were duly completed by 27 December 2010. There are no other corporate proposals announced but not completed as at 21 January 2011.



INTERIM FINANCIAL REPORT

b) Utilization of proceeds from corporate proposals

i) 7% Irredeemable Convertible Unsecured Loan Stock ("ICULS") 2010/2017

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

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>	86	148
- Term loan		
<u>Unsecured:-</u>		
- Term loans	7,859	48,672
- Hire purchase	945	1,352
- Bankers' acceptances, trust receipts and other short term loan	70,015	-
- Onshore foreign currency loan	25,130	-
	<u>104,035</u>	<u>50,172</u>

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	8,067	25,130
Singapore Dollar	276	661
	<u>8,343</u>	<u>25,791</u>



INTERIM FINANCIAL REPORT

B10 Derivative Financial Instruments

Details of outstanding derivative financial instruments as at 30 November 2010:-

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value (RM'000)	Gain/(Loss) on Fair Value Changes (RM'000)	Purpose
Forward Exchange Contract - Maturing within 3 months	4,097	4,127	(30)	Hedging for contracted sales and trade receivables

As at 21 January 2011, the Group has the amount of forward exchange contracts with licensed banks as hedges for sales amounted to RM1.26mil. The settlement periods for these contracts are ranging from one to two months.

Credit risk

There is minimal credit risk as the forward contracts were entered into with reputable banks.

Cash requirements

The Group is exposed to minimal cash flow risk in view of its healthy cash position.

The derivative had been recorded in the Consolidated Statement of Financial Position for this reporting period in compliance with FRS 139.

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 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.

B12 Dividends

The Board of directors has approved and declared a special interim single tier dividend of 0.6 sen per ordinary share of RM0.20 each in respect of the financial year ending 28 February 2011 (Previous year corresponding quarter: special second interim single tier dividend of 1.5 sen per ordinary share of RM 0.20 each). The interim dividend will be paid on 30 March 2011 to shareholders whose names appear on the Company's Record of Depositors on 9 March 2011.

The total dividend per share for the current financial year is 2.1 sen single tier dividend per ordinary share of RM 0.20 each. (Previous year corresponding period: 3.0 sen single tier dividend per ordinary share of RM 0.20 each)



INTERIM FINANCIAL REPORT

B13 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-10	30-Nov-09	30-Nov-10	30-Nov-09
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to owners of the Company	6,193	11,749	23,914	40,062
Weighted average number of ordinary share in issue ('000)	449,046	449,020*	449,046	449,020*
Basic earnings per RM0.20 share (sen)	1.38	2.62	5.33	8.92



INTERIM FINANCIAL REPORT

B13 Earnings Per Share (Con't)

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 from exercise of ESOS options granted to employees:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Nov-10 RM'000	Preceding Year Corresponding Quarter 30-Nov-09 RM'000	Current Year To Date 30-Nov-10 RM'000	Preceding Year Corresponding Period 30-Nov-09 RM'000
Net profit attributable to owners of the Company	6,193	11,749	23,914	40,062
Weighted average number of ordinary share in issue ('000)	449,046	449,020*	449,046	449,020*
Adjustment for dilutive effect of unexercised share options ('000)	9,362	-	9,362	-
Adjusted weighted average number of shares for Diluted Earnings Per Share ('000)	458,408	449,020*	458,408	449,020*
Diluted earnings per RM0.20 share (sen)	1.35	N/A	5.22	N/A

Note: *In accordance with the Financial Reporting Standard FRS 133 – Earnings Per Share, the effect of bonus issues 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 bonus issue of one(1) bonus share for every five(5) existing ordinary share of RM0.20 each in the Company which was completed on 26 November 2010



INTERIM FINANCIAL REPORT

B14 Share Buy Back

There was no purchase, sale or cancellation of treasury shares during the quarter under review.

As at end of current quarter, a total of 820,800 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 0.463 per share.

Date: 26 January 2011