



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 28 FEBRUARY 2011**

	Fourth Quarter		Cumulative Quarter	
	Current Year Quarter 28/02/2011 RM'000	Preceding Year Corresponding Quarter 28/02/2010 RM'000	Current Year To Date 28/02/2011 RM'000	Preceding Year Corresponding Period 28/02/2010 RM'000
Revenue	72,691	66,066	335,563	401,578
Operating Expenses	(66,459)	(56,404)	(295,216)	(332,488)
Other Operating Income	1,764	2,761	3,208	3,917
Profit from Operations	7,996	12,423	43,555	73,007
Finance Cost	(1,752)	(1,392)	(6,223)	(6,645)
Share of profit/ (loss) in associate company	54	(275)	46	349
Share of (loss) / profit in joint venture company	(37)	(4)	57	47
Profit before taxation	6,261	10,752	37,435	66,758
Taxation	(789)	57	(8,055)	(15,887)
Profit for the period	5,472	10,809	29,380	50,871
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operation	(104)	(124)	(178)	96
Fair value gain on cash flow hedge	63	-	33	-
Total comprehensive income for the period	5,431	10,685	29,235	50,967
Profit/(Loss) for the period attributable to:				
Owners of the Company	5,478	10,809	29,393	50,871
Non-controlling interests	(6)	-	(13)	-
	5,472	10,809	29,380	50,871
Total comprehensive income for the period attributable to:				
Owners of the Company	5,437	10,685	29,248	50,967
Non-controlling interests	(6)	-	(13)	-
	5,431	10,685	29,235	50,967
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.22	2.41	6.54	11.33
(b) Diluted earnings per RM0.20 share(sen)	1.14	N/A	6.23	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



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2011**

	28/02/2011 RM'000	28/02/2010 RM'000 (Restated)
ASSETS		
Non-Current assets		
Property, Plant And Equipment	103,900	58,322
Prepaid land lease payments	18,678	18,894
Investment Properties	3,160	3,040
Investment In An Associate Company	1,801	1,771
Investment In A Joint Venture Company	376	324
Available-for-sale Investment	7	7
Capital work-in-progress	6,748	167
Deferred Tax Assets	6,265	2,719
	<u>140,935</u>	<u>85,244</u>
Current assets		
Inventories	168,543	153,668
Trade and Other Receivables	65,982	47,907
Amount Due from An Associate Company	7,749	41,340
Derivative financial assets	33	-
Fixed Deposits	63,244	10,330
Cash and Bank Balances	75,114	52,286
	<u>380,665</u>	<u>305,531</u>
TOTAL ASSETS	<u><u>521,600</u></u>	<u><u>390,775</u></u>
EQUITY AND LIABILITIES		
Share Capital	90,387	75,000
Share Application Money	13	-
Share Premium	1,948	16,067
Treasury Shares	(380)	(380)
Irredeemable Convertible Unsecured Loan Stock - Equity component	49,151	-
Warrants Reserve	7,484	-
Revaluation Reserve	4,720	-
Other Reserves	5,693	243
Unappropriated Profit	158,512	141,961
Equity attributable to owners of the Company	<u>317,528</u>	<u>232,891</u>
Non-controlling Interest	87	#
Total Equity	<u>317,615</u>	<u>232,891</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stock(ICULS) - Liability	21,923	-
Long Term Borrowings	55,687	22,381
Deferred Taxation	3,264	3,539
	<u>80,874</u>	<u>25,920</u>
Current liabilities		
Trade and Other Payables	31,443	23,364
Overdraft and Short Term Borrowings	85,941	97,179
Amount Due to A Joint Venture Company	355	79
Tax payable	2,661	5,729
Dividend Payable	2,711	5,613
	<u>123,111</u>	<u>131,964</u>
Total Liabilities	<u>203,985</u>	<u>157,884</u>
TOTAL EQUITY AND LIABILITIES	<u><u>521,600</u></u>	<u><u>390,775</u></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.70	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 28 FEBRUARY 2011**

	GROUP 28/2/2011 RM'000	GROUP 28/2/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,435	66,758
Adjustments for:		
Non-cash items	(1,076)	5,388
Non-operating items	3,603	5,642
Operating profit before changes in working capital	39,962	77,788
Changes in working capital:-		
Net changes in current assets	10,098	65,147
Net changes in current liabilities	8,800	(12,681)
Net changes in bills payables	1,759	(49,099)
Cash generated from operations	60,619	81,155
Dividend paid	(15,716)	(12,348)
Dividend received	-	120
Interest paid	(5,347)	(5,990)
Interest received	1,569	348
Tax paid	(8,520)	(20,877)
Net cash generated from operating activities	32,605	42,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-	1
Proceeds from minority interest on subscription of shares	100	-
Purchase of property, plant and equipment	(46,201)	(7,337)
Purchase of prepaid land lease payment	-	(12,855)
Proceeds from disposal of property, plant and equipment	293	67
Proceeds from disposal of investment property	525	-
Capital work-in-progress incurred	(6,581)	(167)
Net cash used in investing activities	(51,864)	(20,291)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issue	17	-
Share application money received	13	-
Proceed from issuance of ICULS	74,841	-
Drawdown of borrowings	49,968	18,529
Repayment of borrowings	(29,660)	(11,983)
Net cash generated from financing activities	95,179	6,546
NET INCREASE IN CASH AND CASH EQUIVALENTS	75,920	28,663
EFFECT OF EXCHANGE RATE CHANGES	(178)	96
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	62,616	33,857
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	138,358	62,616

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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2011**

	← Attributable to Owners of the Company →											Non-Distributable	Non-controlling Interests	Total Equity
	Share Capital	Share Application Money	Share Premium	ICULS-Equity component	Share Option Reserve	Warrants Reserve	Revaluation Reserve	Exchange Reserve	Hedging Reserve	Treasury Shares	Unappropriated Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	96	-	-	50,871	50,967	-	50,967
Interim dividend paid to shareholders	-	-	-	-	-	-	-	-	-	-	(2,994)	(2,994)	-	(2,994)
Final dividend paid to shareholders	-	-	-	-	-	-	-	-	-	-	(3,741)	(3,741)	-	(3,741)
First interim dividend paid to shareholders	-	-	-	-	-	-	-	-	-	-	(5,613)	(5,613)	-	(5,613)
Special second interim dividend payable to shareholders	-	-	-	-	-	-	-	-	-	-	(5,613)	(5,613)	-	(5,613)
Incorporation of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	#	#
Balance as at 28 February 2010	75,000	-	16,067	-	-	-	-	243	-	(380)	141,961	232,891	#	232,891

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



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2011 (Continued)**

	Attributable to Owners of the Company											Non-controlling Interests RM'000	Total Equity RM'000	
	Non-Distributable													
	Share Capital RM'000	Share Application Money RM'000	Share Premium RM'000	ICULS-Equity component RM'000	Share Option Reserve RM'000	Warrants Reserve RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Hedging Reserve RM'000	Treasury Shares RM'000	Unappropriated Profits RM'000	Total RM'000	#	
Balance as at 1 March 2010	75,000	-	16,067	-	-	-	-	243	-	(380)	141,961	232,891		232,891
Issuance of shares under ESOS	5	-	17	-	-	-	-	-	-	-	-	22	-	22
Share options granted under ESOS	-	-	-	-	5,600	-	-	-	-	-	-	5,600	-	5,600
Transfer to share premium for share options exercised	-	-	5	-	(5)	-	-	-	-	-	-	-	-	-
Bonus issue of shares	14,968	-	(14,968)	-	-	-	-	-	-	-	-	-	-	-
Issuance of Irredeemable Convertible Unsecured Loan Stock ("ICULS")	-	-	-	49,980	-	7,484	-	-	-	-	-	57,464	-	57,464
Conversion of ICULS to shares	414	-	827	(829)	-	-	-	-	-	-	(28)	384	-	384
Exercise of warrants	-	13	-	-	-	-	-	-	-	-	-	13	-	13
Increase Share Capital in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Revaluation surplus on Properties	-	-	-	-	-	-	4,720	-	-	-	-	4,720	-	4,720
Total comprehensive income for the period	-	-	-	-	-	-	-	(178)	33	-	29,393	29,248	(13)	29,235
Final dividend paid to shareholders	-	-	-	-	-	-	-	-	-	-	(4,490)	(4,490)	-	(4,490)
First Interim dividend paid to shareholders	-	-	-	-	-	-	-	-	-	-	(5,613)	(5,613)	-	(5,613)
Second Interim dividend payable to shareholders	-	-	-	-	-	-	-	-	-	-	(2,711)	(2,711)	-	(2,711)
Balance as at 28 February 2011	90,387	13	1,948	49,151	5,595	7,484	4,720	65	33	(380)	158,512	317,528	87	317,615

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



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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 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



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Amendment to FRS 117	- Leases
Amendment to FRS 118	- Revenue
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 standards and IC Interpretations are not yet effective and have not been early adopted by the Group and the Company:-

				<u>Effective date</u>
1)	FRS 1	- First-time Adoption of Financial Reporting Standards	of Financial	1 July 2010
2)	Amendments to FRS 1	- First-time Adoption of Financial Reporting Standards	of Financial	1 January 2011
3)	Amendments to FRS 2	- Share-Based Payment		1 July 2010



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4)	Amendments to FRS 2	- Share-Based Payment. Group Cash-settled Share-based Payment Transactions	1 January 2011
5)	FRS 3	- Business Combinations (Revised)	1 July 2010
6)	Amendments to FRS 3	- Business Combinations	1 January 2011
7)	Amendments to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations	1 July 2010
8)	Amendments to FRS 7	- Financial Instruments: Disclosures. Improving Disclosures about Financial Instruments	1 January 2011
9)	Amendments to FRS 101	- Presentation of Financial Statements	1 January 2011
10)	Amendments to FRS 121	- The Effects of Changes in Foreign Exchange Rates	1 January 2011
11)	FRS 124	- Related Party Disclosures	1 January 2012
12)	FRS 127	- Consolidated and Separate Financial Statements	1 July 2010
13)	Amendments to FRS 128	- Investment in Associates	1 January 2011
14)	Amendments to FRS 131	- Interests in Joint Ventures	1 January 2011
15)	Amendments to FRS 132	- Financial Instruments: Presentation	1 January 2011
16)	Amendments to FRS 134	- Interim Financial Reporting	1 January 2011
17)	Amendments to FRS 138	- Intangible Assets	1 July 2010
18)	Amendments to FRS 139	- Financial Instruments: Recognition and Measurement	1 January 2011
19)	IC Interpretation 4	- Determining Whether an Arrangement contains a Lease	1 January 2011
20)	Amendments to IC Interpretation 9	- Reassessment of Embedded Derivatives	1 July 2010
21)	IC Interpretation 12	- Service Concession Arrangements	1 July 2010
22)	Amendments to IC Interpretation 13	- Customer Loyalty Programmes	1 January 2011
23)	Amendment to IC Interpretation 14	- Prepayments of a Minimum Funding Requirement	1 July 2011
24)	Amendment to IC Interpretation 15	- Agreements for the Construction of Real Estate	1 January 2012
25)	IC Interpretation 16	- Hedges of Net Investment in a Foreign Operation	1 July 2010
26)	IC Interpretation 17	- Distributions of Non-Cash Assets to Owners	1 July 2010
27)	IC Interpretation 18	- Transfers of Assets from Customers	*
28)	IC Interpretation 19	- Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

* During the financial year, MASB approved and issued IC Interpretation 18 - Transfers of Assets from Customers and requires the interpretation to be applied prospectively to all transfers of assets from customers received on or after 1 January 2011.



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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.

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



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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.

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.



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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 financial year ended 28 February 2011, 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) Bonus Issue

The Company had on 29 November 2010 issued 74,841,027 new ordinary share of RM0.20 each ("Bonus share(s)") on the basis of one (1) bonus shares for every five (5) existing ordinary shares of RM 0.20 each held in Pantech.

c) Irredeemable Convertible Unsecured Loan Stock ("ICULS") and Warrants

The Company had on 27 December 2010 issued 748,410,400 7-year 7% ICULS at 100% of its nominal value of RM0.10 each on the basis of two (2) RM0.10 nominal value of ICULS for every one(1) existing Pantech Share held in the Company together with 74,841,040 free detachable warrants ("Warrants") on the basis of one (1) warrant for every ten (10) ICULS subscribed for.

As at 28 February 2011, 12,408,600 units of ICULS have been converted to 2,068,100 ordinary shares of RM0.20 each.

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



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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 April 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	22.40	-	-	173,463,982	-	17,346,398	-	-
GL Management Agency Sdn Bhd	74,895,960	16.58	-	-	128,381,300	-	12,838,130	-	-
Dato' Chew Ting Leng ("CTL")	-	-	101,196,480 ⁽ⁱⁱ⁾	22.40	-	173,463,982 ⁽ⁱⁱ⁾	-	17,346,398 ⁽ⁱⁱ⁾	4,500,000
Dato' Goh Teoh Kean ("GTK")	-	-	74,895,960 ⁽ⁱⁱⁱ⁾	16.58	-	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)	22.40	-	173,463,982 ^(v)	-	17,346,398 ^(v)	-
Datin Lee Sock Kee ("LSK")	-	-	74,895,960 ^(vi)	16.58	-	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	43.75	-	-	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.
- (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 40% of the ESOS Option is exercisable as at 21 April 2011.



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- iii. The maximum potential voting shares or voting rights of CTL Capital and its PACs in Pantech, assuming only CTL Capital and its PACs (but not other shareholders) exercise the ESOS Options, ICULS and Warrants in full;

Parties	Direct		Indirect	
	No. of voting shares	%	No. of voting shares	%
CTL Capital	147,453,542	26.39	-	-
GL Management	109,130,973	19.53	-	-
CTL	4,500,000	0.81	147,453,542 ⁽ⁱ⁾	26.39
GTK	4,500,000	0.81	109,130,973 ⁽ⁱⁱ⁾	19.53
TAA	16,037,240	2.87	1,846,000 ⁽ⁱⁱⁱ⁾	0.33
TTW	21,102,260	3.78	-	-
SKL	-	-	151,953,542 ^(iv)	27.20
LSK	-	-	113,630,973 ^(v)	20.34
YYK	1,846,000	0.33	16,037,240 ^(vi)	2.87
TOTAL	304,570,015	54.52	-	-

Notes:-

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

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



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A7 Dividend Paid

	Current Year	Preceding Year
	To-date	Corresponding
	RM'000	Period
		RM'000
First Interim dividend in respect of financial year ended 28 February 2011, paid on 3 December 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 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	
First Interim dividend in respect of financial year ended 28 February 2010, paid on 8 January 2010 - Single tier dividend of 1.5 sen per ordinary share of RM0.20		5,612
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
	15,716	12,347

Subsequent to the financial year ended 28 February 2011, the Company had on 30 March 2011 paid a second interim single tier dividend of 0.6 sen per ordinary share of RM0.20 each in respect of financial year ended 28th February 2011 amounting to RM 2.71 million.



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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	
	----- 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*	276,833	363,497	44,442	67,112
Manufacturing of pipes and pipe fittings	94,149	64,275	5,777	6,220
Investments and management	27,904	21,202	19,625	20,072
	398,886	448,974	69,844	93,404
Inter-segments elimination	(63,323)	(47,396)	(27,858)	(20,745)
	335,563	401,578	41,986	72,659
Unallocated expenses			-	-
			41,986	72,659
Interest income			1,569	348
Finance cost			(6,223)	(6,645)
Share of profit in associate			46	349
Share of profit in joint venture			57	47
			37,435	66,758

* PFF : Represents pipes, fittings and flow controls

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	379,599	405,867
Generated by overseas operation	19,287	43,107
	398,886	448,974
Inter-segments elimination	(63,323)	(47,396)
	335,563	401,578



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A9 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.

During the quarter under review, a revaluation exercise was carried out for land and building of the Group. The resulting revaluation surplus has been accounted into the financial statements of the Group as at 28 February 2011.

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

	28 February 2011
	RM'000
Corporate guarantees	<u>513,918</u> *

* 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 28 February 2011 are as follows:

	RM'000
Approved and contracted for	<u>12,042</u>
Analyzed as follows:	
- Property, plant and equipment	<u>12,042</u>



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

B1 Review of Performance

For the twelve months ended 28 February 2011, the Group registered lower revenue of RM335.6 million (FYE2010: RM401.6 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, weakening US Dollar and the initial loss recorded by the new manufacturing plant, the Group posted a lower profit before taxation of RM37.4 million (FYE 2010: RM66.7 million) and profit after taxation of RM29.4 million (FYE2010: RM50.9 million).

For the current quarter under review with comparison to last year corresponding quarter, the Group registered higher revenue of RM72.7 million (FY2010Q4: RM66.1 million) due mainly to higher sales volume from trading division. Despite higher trading revenue achieved, the group posted a lower profit after taxation of RM5.5 million (FYE2010Q4: RM10.8 million) due mainly to the lower contribution from trading division arising from changes in product mix and the initial loss recorded by the new manufacturing plant.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group reported comparable revenue of RM72.7 million compared to RM75.4 million recorded for preceding quarter, the group posted a lower profit after taxation of RM5.5 million compared to preceding quarter of RM6.2 million due mainly to initial loss recorded by the new manufacturing plant.

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 Group is of the view that the long term outlook of the oil and gas industries continues to be positive with the expected multi billions oil and gas investment under Economic Transformation Programme (ETP) announced by the Government of Malaysia. 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.



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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
	28-Feb-11 RM'000	28-Feb-10 RM'000	28-Feb-11 RM'000	28-Feb-10 RM'000
Current taxation	1,963	829	8,216	16,864
Over provision of taxation in prior year	(571)	-	(1,208)	(91)
Transferred from / (to) deferred tax assets	597	(1,179)	2,247	(1,179)
Transferred (from) / to deferred taxation	(1,200)	267	(1,200)	267
Under provision of deferred taxation in prior year	-	26	-	26
	<u>789</u>	<u>(57)</u>	<u>8,055</u>	<u>15,887</u>

Tax expense for the current quarter and financial year to-date ended 28 February 2011 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 quarter and current financial year to-date is lower than the statutory rate mainly due to the over provision of taxation and deferred taxation in prior year as well as tax incentive enjoyed by a subsidiary company.

B6 Profit on sale of unquoted investments and/or properties

During the current quarter under review, Pantech Corporation Sdn Bhd, a wholly-owned subsidiary of the Group had on 28 February 2011 entered into a sales and purchase agreement to dispose off to a third party, one lot of freehold industrial property to a third party for a consideration of RM525,000 and realized a gain on disposal of RM175,000 .

Other than the above, 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.



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B8 Status of corporate proposals

a) There are no corporate proposals announced but not completed as at the date of this quarterly 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>		
- Term loan	76	139
<u>Unsecured:-</u>		
- Term loans	12,032	53,305
- Hire purchase	1,004	2,243
- Bankers’ acceptances, trust receipts and other short term loan	55,517	-
- Onshore foreign currency loan	17,312	-
	<u>85,941</u>	<u>55,687</u>



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Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	5,687	17,312
Singapore Dollar	245	583

B10 Derivative Financial Instruments

Details of outstanding derivative financial instruments as at 28 February 2011:-

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	4,316	4,283	33	Hedging for contracted sales and trade receivables

As at 21 April 2011, the Group has the amount of forward exchange contracts with licensed banks as hedges for sales amounted to RM3.39 million. The settlement periods for these contracts are ranging from one to three 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.



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B12 Dividends

- a) The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting, a final single tier dividend of 1.2 sen per ordinary share of RM0.20 each amounting to RM5.43 million for the financial year ended 28 February 2011. The details of book closure date and payment date will be announced later.

The final dividend for the previous financial year ended 28 February 2010 was single tier dividend of 1.2 sen per ordinary share of RM0.20 each.

- b) The total dividend per share for the current financial year is 3.3 sen single tier dividend per ordinary share of RM 0.20 each. (FYE 28 February 2010: 4.2 sen single tier dividend per ordinary share of RM 0.20 each)

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
	28-Feb-11	28-Feb-10	28-Feb-11	28-Feb-10
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to owners of the Company	5,478	10,809	29,393	50,871
Weighted average number of ordinary share in issue ('000)	449,200	449,015*	449,200	449,015*
Basic earnings per RM0.20 share (sen)	1.22	2.41	6.54	11.33

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") and exercise of Warrants.



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The ESOS options granted to employees are anti-dilutive and hence the calculation of diluted earnings per share for the financial year does not assume the exercise of the ESOS options.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	28-Feb-11 RM'000	28-Feb-10 RM'000	28-Feb-11 RM'000	28-Feb-10 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	5,478	10,809	29,393	50,871
Impact on income statement upon conversion of ICULS	(103)	-	(103)	-
	5,375	10,809	29,290	50,871
Adjusted weighted average number of shares for diluted earnings per share ('000):				
Weighted average number of ordinary share in issue ('000)	449,200	449,015*	449,200	449,015*
Adjustment for dilutive effect on conversion of ICULS ('000)	20,004	-	20,004	-
Adjustment for dilutive effect on Exercise of Warrants ('000)	756	-	756	-
	469,960	449,015*	469,960	449,015*
Diluted earnings per RM0.20 share (sen)	1.14	N/A	6.23	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 29 November 2010.



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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.

B15 Realized and Unrealized Profits / (Losses) disclosure

	As at End of Current Quarter 28- Feb-11 RM'000	As at End of Preceding Quarter 30-Nov-10 RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	199,889	199,032
- Unrealized	1,111	(535)
	201,000	198,497
Total share of unappropriated profits from associated Company:		
- Realized	1,756	1,718
- Unrealized	15	-
	1,771	1,718
Total share of unappropriated profits from jointly controlled Entity:		
- Realized	215	256
- Unrealized	1	(1)
	216	255
	202,987	200,470
Less: consolidation adjustments	(44,475)	(44,697)
Total Group unappropriated profits	<u>158,512</u>	<u>155,773</u>

Date: 28 April 2011