

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2011**

	31/5/2011 RM'000	28/02/2011 RM'000
ASSETS		
Non-Current assets		
Property, Plant And Equipment	107,812	104,140
Prepaid Land Lease Payments	18,599	18,678
Investment Properties	3,160	3,160
Investment In An Associate Company	1,986	1,790
Investment In A Joint Venture Company	403	379
Available-for-sale Investment	7	7
Capital Work-in-progress	3,240	6,748
Deferred Tax Assets	5,999	6,055
	<u>141,206</u>	<u>140,957</u>
Current assets		
Inventories	182,251	168,772
Trade and Other Receivables	78,252	66,161
Amount Due from An Associate Company	26,343	7,749
Derivatives Financial Instruments	39	33
Fixed Deposits with Licensed Banks	10,478	63,244
Cash and Bank Balances	125,507	75,138
	<u>422,870</u>	<u>381,097</u>
TOTAL ASSETS	<u>564,076</u>	<u>522,054</u>
EQUITY AND LIABILITIES		
Share Capital	90,527	90,387
Share Application Money	-	13
Share Premium	2,229	1,948
Treasury Shares	(380)	(380)
Irredeemable Convertible Unsecured Loan Stock - Equity Component	48,880	49,151
Warrants Reserve	7,482	7,484
Revaluation Reserve	4,685	4,720
Other Reserves	6,409	5,745
Unappropriated Profit	164,386	158,114
Equity attributable to owners of the Parent	<u>324,218</u>	<u>317,182</u>
Minority Interest	84	86
Total Equity	<u>324,302</u>	<u>317,268</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stock (ICULS) - Liability Component	20,660	21,923
Long Term Borrowings	58,909	55,614
Deferred Tax Liabilities	3,451	3,463
	<u>83,020</u>	<u>81,000</u>
Current liabilities		
Trade and Other Payables	50,595	32,119
Overdraft and Short Term Borrowings	101,963	86,043
Amount Due to A Joint Venture Company	409	357
Tax payable	3,787	2,556
Dividend Payable	-	2,711
	<u>156,754</u>	<u>123,786</u>
Total Liabilities	<u>239,774</u>	<u>204,786</u>
TOTAL EQUITY AND LIABILITIES	<u><u>564,076</u></u>	<u><u>522,054</u></u>
NET ASSETS PER SHARE OF RM0.20 EACH (RM)	0.72	0.70

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 2011 and the accompanying explanatory notes attached to the interim financial reports



INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MAY 2011**

	First Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2011 RM'000	Preceding Year Corresponding Quarter 31/05/2010 RM'000	Current Year To Date 31/05/2011 RM'000	Preceding Year Corresponding Period 31/05/2010 RM'000
Revenue	95,345	90,306	95,345	90,306
Operating Expenses	(85,361)	(78,454)	(85,361)	(78,454)
Other Operating Income	962	430	962	430
Profit from Operations	10,946	12,282	10,946	12,282
Finance Cost	(1,944)	(1,126)	(1,944)	(1,126)
Share of profit in associate company	196	36	196	36
Share of profit in joint venture company	18	#	18	#
Profit before taxation	9,216	11,192	9,216	11,192
Taxation	(2,972)	(2,790)	(2,972)	(2,790)
Profit for the period	6,244	8,402	6,244	8,402
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operation	148	(376)	148	(376)
Total comprehensive income for the period	6,392	8,026	6,392	8,026
Profit/(Loss) for the period attributable to:				
Owners of the Company	6,246	8,405	6,246	8,405
Minority interest	(2)	(3)	(2)	(3)
	6,244	8,402	6,244	8,402
Total comprehensive income for the period attributable to:				
Owners of the Company	6,394	8,029	6,394	8,029
Minority interest	(2)	(3)	(2)	(3)
	6,392	8,026	6,392	8,026
Earnings per share				
(a) Basic earnings per RM0.20 share (sen)	1.38	1.87	1.38	1.87
(b) Diluted earnings per RM0.20 share(sen)	1.06	1.83	1.06	1.83

Less than 1,000

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 2011 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 31 MAY 2011**

	GROUP 31/5/2011 RM'000	GROUP 31/5/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,216	11,192
Adjustments for:		
Non-cash items	3,112	(864)
Non-operating items	885	793
Operating profit before changes in working capital	13,213	11,121
Changes in working capital:-		
Net changes in current assets	(45,525)	2,602
Net changes in current liabilities	17,404	8,270
Net changes in bills payables	15,642	13,112
Cash generated from operations	734	35,105
Dividend paid	(2,711)	(5,613)
Interest paid	(1,641)	(977)
Interest received	756	184
Tax paid	(1,327)	(3,311)
Net cash (used in) / generated from operating activities	(4,189)	25,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from minority interest	-	10
Purchase of property, plant and equipment	(1,942)	(141)
Proceeds from disposal of property, plant and equipment	12	55
Capital work-in-progress incurred	-	(4,824)
Net cash used in investing activities	(1,930)	(4,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	22
Drawdown of borrowings	6,447	-
Repayment of borrowings	(2,873)	(21,440)
Net cash generated from / (used in) financing activities	3,574	(21,418)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,545)	(930)
EFFECT OF EXCHANGE RATE CHANGES	148	(376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	138,382	62,616
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	135,985	61,310

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 2011 and the accompanying explanatory notes attached to the interim financial reports.



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2011

	←----- Attributable to Owners of the Company -----→										Total	Minority Interests	Total Equity
	←----- Non-Distributable -----→					----- Distributable -----→							
	Share Capital	Share Application Money	Share Premium	ICULS-Equity component	Share Option Reserve	Warrants Reserve	Revaluation Reserve	Exchange Reserve	Treasury Shares	Unappropriated Profits	RM'000	RM'000	RM'000
Balance as at 1 March 2010	75,000	-	16,067	-	-	-	-	242	(380)	141,962	232,891	#	232,891
Transactions with owners:													
Issuance of shares pursuant to exercise of ESOS	5	-	17	-	-	-	-	-	-	-	22	-	22
Share option granted under ESOS	-	-	-	-	785	-	-	-	-	-	785	-	785
Transfer to share premium for ESOS exercised	-	-	4	-	(4)	-	-	-	-	-	-	-	-
Allotment of share capital	-	-	-	-	-	-	-	-	-	-	-	10	10
Total transactions with owners	5	-	21	-	781	-	-	-	-	-	807	10	817
Total comprehensive income for the period	-	-	-	-	-	-	-	(376)	-	8,405	8,029	(3)	8,026
Balance as at 31 May 2010	75,005	-	16,088	-	781	-	-	(134)	(380)	150,367	241,727	7	241,734

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 2011 and the accompanying explanatory notes attached to the interim financial reports



PANTECH GROUP HOLDINGS BERHAD

Company No. 733607 W
(Incorporated in Malaysia)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2011 (Continued)

	← Attributable to Owners of the Company →										Total	Minority Interests	Total Equity
	← Non-Distributable →					→ Distributable →							
	Share Capital	Share Application Money	Share Premium	ICULS-Equity component	Share Option Reserve	Warrants Reserve	Revaluation Reserve	Exchange 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	RM'000	RM'000
Balance as at 1 March 2011	90,387	13	1,948	49,151	5,595	7,484	4,720	150	(380)	158,114	317,182	86	317,268
Transactions with owners:													
Issuance of shares pursuant to conversion of ICULS	136	-	270	(271)	-	-	-	-	-	(9)	126	-	126
Issuance of shares pursuant to exercise of Warrants	4	(13)	11	-	-	(2)	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	516	-	-	-	-	-	516	-	516
Total transactions with owners	140	(13)	281	(271)	516	(2)	-	-	-	(9)	642	-	642
Total comprehensive income for the period	-	-	-	-	-	-	(35)	148	-	6,281	6,394	(2)	6,392
Balance as at 31 May 2011	90,527	-	2,229	48,880	6,111	7,482	4,685	298	(380)	164,386	324,218	84	324,302

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 2011 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 2011. 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 2011.

(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 2011, 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 2011:-

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. Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	- Business Combinations
Amendments to FRS 7	- Improving Disclosures about Financial Instruments
Amendment to FRS 101	- Presentation of Financial Statements
Amendment to FRS 121	- The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	- Investments in Associates
Amendments to FRS 131	- Interests in Joint Ventures
Amendments to FRS 132	- Financial Instruments: Presentation
Amendments to FRS 134	- Interim Financial Reporting
Amendment to FRS 139	- Financial Instruments: Recognition and Measurement
IC Interpretation 4	- Determining Whether an Arrangement Contains a Lease
Amendment to IC Interpretation 13	- Customer Loyalty Programmes
IC Interpretation 18	- Transfers of Assets from Customers



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

The following standards and IC Interpretations 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 2011:-

Amendments to IC Interpretation 14	- Prepayments of a Minimum Funding Requirement
IC Interpretation 19	- Extinguishing Financial Liabilities with Equity Instruments

The following standards and IC Interpretations 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 2012: -

Amendments to IC Interpretation 15	- Agreements for the Construction of Real Estate
FRS 124	- Related Party Disclosures

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 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

IC Interpretation 17 Distributions of Non-Cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Group. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss. If the dividend remains unpaid at the end of the financial year, the dividend payable carrying amount is reviewed with any changes recognised in equity.



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FRS 124 Related Party Disclosures

The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in the standard do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balance in this financial statement may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

FRS 127 Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting treatments when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

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 2011 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) Irredeemable Convertible Unsecured Loan Stock ("ICULS") and Warrants

During the quarter under review, 4,061,000 units of ICULS have been converted to 676,833 ordinary shares of RM0.20 each and 21,600 ordinary shares of RM0.20 were issued pursuant to exercise of 21,600 warrants at RM0.60.



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- 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 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 (25 July 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	Indirect	Direct	Indirect	
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



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Notes:-

- (i) Excluding a total of 820,800 treasury shares
- (ii) Deemed interested by virtue of his and his spouse SKL's interests in CTL Capital pursuant to Section 6A of the Companies Act, 1965 ("Act").
- (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 25 July 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	26.39	-	-
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.



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- 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.**

7 Dividend Paid

	Current Year To-date RM'000	Preceding Year Corresponding Period RM'000
Special Second Interim dividend in respect of financial year ended 28 February 2011, paid on 30 March 2011 - Single tier dividend of 0.6 sen per ordinary share of RM0.20	2,711	
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
	2,711	5,613

A8 Segment Information

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

	Revenue		Profit before tax	
	----- 3 months ended 31 May 2011 -----			
	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*	81,827	75,013	9,774	11,662
Manufacturing of pipes and pipe fittings	30,152	22,834	1,296	1,326
Investments and management	7,449	4,830	6,644	3,717
	119,428	102,677	17,714	16,705
Inter-segments elimination	(24,083)	(12,371)	(7,524)	(4,607)
	95,345	90,306	10,190	12,098
Unallocated expenses			-	-
			10,190	12,098
Interest income			756	184
Finance cost			(1,944)	(1,126)
Share of profit in associate			196	36
Share of profit in joint venture			18	#
			9,216	11,192

* PFF : Represents pipes, fittings and flow controls

Less than RM1,000



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Analysis of the Group's revenue by geographical segments:

	Revenue	
	----- 3 months ended 31 May 2011 -----	-----
	Current Year to-date RM'000	Preceding Year Corresponding Period RM'000
Generated by Malaysia operation	108,073	96,798
Generated by overseas operation	11,355	5,879
	119,428	102,677
Inter-segments elimination	(24,083)	(12,371)
	95,345	90,306

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.

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

	31 May 2011
	RM'000
Corporate guarantees	<u>513,816</u> *

* Represents the total limit of Pantech's corporate guarantee



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A13 Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 May 2011 are as follows:

	RM'000
Approved and contracted for	<u>22,236</u>
Analyzed as follows:	
- Property, plant and equipment	<u>22,236</u>



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

B1 Review of Performance

For the 3 months ended 31 May 2011, the Group registered revenue of RM95.35 million (Q1FY2011: RM90.31 million), which is comparable to first quarter last year. The Group posted a lower profit before taxation of RM9.22 million (Q1FY2011: RM11.19 million) and profit after taxation of RM6.24 million (Q1FY2011: RM8.4 million) due mainly to the loss recorded by the new manufacturing plant.

B2 Variation of results against preceding quarter

In the current quarter under review, the Group reported higher revenue of RM95.35 million compared to RM72.91 million recorded for preceding quarter due to higher sales from the trading division. Despite higher revenue achieved, the group posted marginal higher profit after taxation of RM6.24 million compared to preceding quarter of RM5.07 million due mainly to lower margin from the trading division coupled with the loss from 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 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.



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B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-May-11 RM'000	Preceding Year Corresponding Quarter 31-May-10 RM'000	Current Year To Date 31-May-11 RM'000	Preceding Year Corresponding Period 31-May-10 RM'000
Current taxation	3,021	2,010	3,021	2,010
Over provision of taxation in prior year	(93)	-	(93)	-
Transferred from / (to) deferred tax assets	316	780	316	780
Transferred (from) / to deferred taxation	(260)	-	(260)	-
Crystallization of deferred taxation upon depreciation of revalued assets	(12)	-	(12)	-
	<u>2,972</u>	<u>2,790</u>	<u>2,972</u>	<u>2,790</u>

Tax expense for the current quarter and financial year to-date ended 31 May 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 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

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



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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	
		74,841					

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	87	109
<u>Unsecured:-</u>		
- Term loans	12,336	56,539
- Hire purchase	1,040	2,261
- Bankers' acceptances, trust receipts and other short term loan	59,708	-
- Onshore foreign currency loan	28,792	-
	101,963	58,909

Foreign currency borrowings included above:

	Foreign Currency '000	RM Equivalent '000
US Dollar	10,029	30,249
Singapore Dollar	644	1,568



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B10 Derivative Financial Instruments

Details of outstanding derivative financial instruments as at 31 May 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	6,687	6,648	39	Hedging for contracted sales and trade receivables

As at 25 July 2011, the Group has the amount of forward exchange contracts with licensed banks as hedges for sales amounted to RM3.97 million. The settlement periods for these contracts are ranging from one to four 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

No dividend was proposed for the current financial quarter ended 31 May 2011 under review.



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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
	31-May-11 RM'000	31-May-10 RM'000	31-May-11 RM'000	31-May-10 RM'000
Net profit attributable to owners of the Company	6,246	8,405	6,246	8,405
Weighted average number of ordinary share in issue ('000)	451,810	449,046*	451,810	449,046*
Basic earnings per RM0.20 share (sen)	1.38	1.87	1.38	1.87

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.

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



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b) Diluted Earnings Per Share (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-May-11 RM'000	31-May-10 RM'000	31-May-11 RM'000	31-May-10 RM'000
Adjusted net profit for the period attributable to owners of the Company:				
Net profit attributable to owners of the Company	6,246	8,405	6,246	8,405
Impact on income statement upon conversion of ICULS	(136)	-	(136)	-
	6,110	8,405	6,110	8,405
Adjusted weighted average number of shares ('000):				
Weighted average number of ordinary share in issue ('000)	451,810	449,046*	451,810	449,046*
Adjustment for dilutive effect on conversion of ICULS ('000)	121,993	-	121,993	-
Adjustment for dilutive effect on Exercise of Warrants ('000)	3,563	-	3,563	-
Adjustment for dilutive effect on Exercise of ESOS ('000)	-	9,661	-	9,661
	577,366	458,707*	577,366	458,707*
Diluted earnings per RM0.20 share (sen)	1.06	1.83	1.06	1.83

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 31-May-11 RM'000	As at End of Preceding Quarter 28-Feb-11 RM'000
Total unappropriated profits of Pantech and its subsidiaries:		
- Realized	207,514	200,825
- Unrealized	(323)	142
	207,191	200,967
Total share of unappropriated profits from associated Company:		
- Realized	1,955	1,750
- Unrealized	1	13
	1,956	1,763
Total share of unappropriated profits from jointly controlled Entity:		
- Realized	241	220
- Unrealized	1	(1)
	242	219
	209,389	202,949
Less: consolidation adjustments	(45,003)	(44,835)
Total Group unappropriated profits	164,386	158,114

Date: 28 July 2011