

PASDEC HOLDINGS BERHAD
Company no: 367122-D
(Incorporated in Malaysia)

Interim Financial Statements
31 March 2008

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
For the Quarter Ended 31 March 2008**

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.3.2008 RM'000	31.3.2007 RM'000	31.3.2008 RM'000	31.3.2007 RM'000
Revenue	21,315	20,310	21,315	20,310
Cost of sales	(12,569)	(9,129)	(12,569)	(9,129)
Gross Profit	8,746	11,181	8,746	11,181
Other income	5,019	136	5,019	136
Finance Income	120	270	120	270
Other expenses	(5,209)	(6,400)	(5,209)	(6,400)
Finance costs	(2,210)	(2,342)	(2,210)	(2,342)
Share of profit of associates	(113)	31	(113)	31
Profit before tax	6,353	2,876	6,353	2,876
Taxation	(441)	(862)	(441)	(862)
Profit for the period	5,912	2,014	5,912	2,014
Attributable to:				
Equity holders of the parent	6,231	2,248	6,231	2,248
Minority interest	(319)	(234)	(319)	(234)
	5,912	2,014	5,912	2,014
Earnings per share attributable to equity holders of the parent (Sen)				
Basic	3.03	1.09	3.03	1.09
Diluted	NA	NA	NA	NA
Dividend per share (Sen)	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet As at 31 March 2008

	Unaudited 31.3.2008 RM'000	Audited 31.12.2007 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	15,973	16,172
Prepaid lease land	83	84
Investment property	7,489	7,505
Land held for development	139,541	138,211
Investment in associates	3,501	3,614
Other investments	57,396	67,804
Intangible assets	823	823
	<u>224,806</u>	<u>234,213</u>
Current Assets		
Development properties	173,244	147,107
Inventories	14,535	15,677
Trade receivables	40,171	63,618
Other receivables	23,277	23,078
Deposit, cash and bank balances	28,075	27,011
	<u>279,302</u>	<u>276,491</u>
TOTAL ASSETS	<u>504,108</u>	<u>510,704</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holder of the parent		
Share capital	205,978	205,978
Share premium	43,008	43,008
Retained earnings	111,344	105,113
	<u>360,330</u>	<u>354,099</u>
Minority interest	10,127	10,447
Total Equity	<u>370,457</u>	<u>364,546</u>

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet As at 31 March 2008

	Unaudited 31.3.2008 RM'000	Audited 31.12.2007 RM'000
Non Current Liabilities		
Deferred tax liabilities	74	74
Retirement benefits	2,060	1,865
Rainbow Exchangeable Bonds	51,000	61,000
Redemption Premium	3,319	3,486
Borrowings	4,499	5,326
	<u>60,952</u>	<u>71,751</u>
Current Liabilities		
Retirement benefits	27	27
Borrowings	38,343	31,387
Trade payables	16,389	25,634
Other payables	16,712	14,004
Current tax liabilities	1,228	3,355
	<u>72,699</u>	<u>74,408</u>
Total Liabilities	<u>133,651</u>	<u>146,159</u>
TOTAL EQUITY AND LIABILITIES	<u>504,108</u>	<u>510,704</u>
Net assets per share (RM)	1.75	1.72

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 31 March 2008**

	---Attributable to the holders of the parent---				Minority interest RM'000	Total RM'000
	-----Non distributable-		Distributable			
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000		
1 January 2008	205,978	43,008	105,113	354,099	10,447	364,546
Profit for the year	-	-	6,231	6,231	(320)	5,911
31 March 2008	205,978	43,008	111,344	360,330	10,127	370,457
1 January 2007	205,978	43,008	77,590	326,576	15,309	341,885
Profit for the year	-	-	2,247	2,247	(234)	2,013
31 March 2007	205,978	43,008	79,837	328,823	15,075	343,898

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statement
For the Period Ended 31 March 2008**

	CUMULATIVE QUARTER	
	31.3.2008	31.3.2007
	RM'000	RM'000
Net cash used in operating activities	(12,743)	(1,064)
Net cash generated from investing activities	7,679	9,182
Net cash generated/(used) in financing activities	4,033	(4,838)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,031)	3,280
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	7,959	19,579
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<hr/> 6,928 <hr/>	<hr/> 22,859 <hr/>
Represented by:		
Deposit, cash and bank balances	28,075	35,587
Bank overdrafts (included within short term borrowing in note 23)	(21,147)	(12,728)
	<hr/> 6,928 <hr/>	<hr/> 22,859 <hr/>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Explanatory Notes Pursuant to FRS 134 : Interim Financial Reporting and Listing Requirements of Bursa Malaysia Securities Berhad

1 Basis of preparation

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 for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this financial report are consistent with those adopted in the annual financial statement for the year ended 31 December 2007 except for the adoption of the new/revised FRSs:-

FRS 107	Cash Flow Statement
FRS 111	Construction Contract
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets

The above amendments are effective for the financial year beginning 1 July 2007. The adoption of FRS 107, 111, 112, 118, 134 and 137 does not have any significant impact on the results and the financial position of the Group.

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statement for the year ended 31 December 2007 was not qualified.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

4 Seasonal or cyclical factors

The Group's performance is not materially subject to seasonal or cyclical fluctuations.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

6 Changes in estimates

There were no material changes in estimates that have had a material effect in the current quarter results.

7 Issuance or repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale of debts and equity securities for the current quarter except for the repayment of RM11.0 million Rainbow Exchangeable Bonds ("REBs") as tabulated in Note 21 of this report.

8 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment conduct during the period for the Group.

9 Dividend paid

There was no dividend paid during the quarter ended 31 March 2008.

10 Segmental information

The segment information by activities for the Company and its subsidiaries for the current quarter is as follows:-

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

	CUMULATIVE QUARTER 3 months ended 31.3.2008 RM'000	CUMULATIVE QUARTER 3 months ended 31.3.2007 RM'000
Segment Revenue		
Investment holding and provision of management services	145	144
Property Development	17,610	15,336
Construction	1,358	3,630
Trading in building materials	1,967	1,335
Bricks manufacturing	426	321
	<hr/>	<hr/>
Elimination	(191)	(456)
Total revenue	21,315	20,310
	<hr/>	<hr/>
Segment Results		
Investment holding and provision of management services	53	(1,218)
Property Development	4,251	5,167
Construction	(47)	122
Trading in building materials	62	(43)
Bricks manufacturing	(98)	(71)
Others	4,993	2,277
	<hr/>	<hr/>
Sub Total	9,214	6,234
	<hr/>	<hr/>
Finance cost	(2,210)	(2,342)
Share of profit from associates	(113)	31
	<hr/>	<hr/>
Sub Total	6,891	(2,311)
	<hr/>	<hr/>
Elimination	(538)	(1,047)
	<hr/>	<hr/>
Profit before tax	6,353	2,876
	<hr/>	<hr/>

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

11 Subsequent event

There were no material events subsequent to the end of the current quarter.

12 Changes in the composition of the Group

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

13 Contingent liabilities

Contingent liabilities of the Group comprise of the following:-

	As at 31.3.2008 RM'000	As at 31.3.2007 RM'000
Bank guarantee	283	283
Performance bond	210	210
Corporate guarantees for facilities given to related companies	-	262
Claim by the Inland Revenue Board on a dispute tax assessment for YA 1999 to YA 2004	-	1,221
	<hr/>	<hr/>
Total	493	1,976

14 Capital commitments

The Group did not have any capital commitment for the interim financial statement as at 31 March 2008.

15 Review of performance

The Group recorded revenue of RM21.3 million for the quarter under review, representing an increase of 5% from the previous year corresponding quarter of RM20.3 million. The increase is mainly due to contribution from the Group's property development activity.

Higher pre-tax profit posted during the quarter as compared to the previous year corresponding quarter is mainly due to the gain arising from the exchange of rights of Rainbow Exchangeable Bonds by the bond holders as tabulated in Note 21 of this report.

PASDEC HOLDINGS BERHAD
(Incorporated in Malaysia)

16 Review of current quarter profitability against preceding quarter

	Current Quarter 31.3.2008 RM'000	Preceding Quarter 31.12.2007 RM'000
Turnover	21,315	22,287
Profit before tax	6,353	(21,313)

During the current quarter under review, the Group recorded pre-tax profit of RM6.3 million as compared with loss of RM21.3 million reported in the immediate preceding quarter mainly due to the provision for impairment of land in the fourth quarter of 2007.

17 Prospects for the current financial year

Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the remaining period of the financial year ending 31 December 2008.

18 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

19 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.3.2008 RM'000	31.3.2007 RM'000	31.3.2008 RM'000	31.3.2007 RM'000
Malaysian tax: - current year	441	862	441	862

The effective tax rate for the cumulative quarter is lower than the statutory tax rate due to the fact that most subsidiaries of the Group are not taxable as they are in tax loss position and utilisation of the unabsorbed tax losses and capital allowance and certain income derived are capital gain in nature.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

20 Profit on sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties held as fixed assets for the financial period to date.

21 Purchase/Disposal of quoted securities

The exchange of RM11.0 million nominal value of REBs under Series 2 during the current quarter and financial year to date and the profit arising there from are as follows:-

	Current quarter RM'000	Year to date RM'000
Amount of REBs exchanged	11,000	11,000
Carrying value of shares	5,991	5,991
Total profit	5,009	5,009

Total investment in quoted securities as at 31 March 2008 is as follows:-

	RM'000
At cost	46,800
At carrying value	46,198
At market value	94,612

22 Corporate proposals

There was no corporate proposal announced and pending completion during the quarter under review.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

23 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

	As at 31.3.2008 RM'000	As at 31.3.2007 RM'000
Short term borrowings		
- secured	34,957	19,483
- unsecured	679	11,251
Total short term borrowings	35,636	30,734
Long term borrowings		
- secured	61,411	149,266
- unsecured	114	-
Total short term borrowings	61,525	149,266
Total borrowings	97,161	180,000

24 Off balance sheet financial instruments

There were no financial instruments with material off balance sheet risk at the date of this report.

25 Material litigation

There was no material litigation involving the Group at the date of this report.

26 Dividend proposed

At the forthcoming Annual General Meeting, a final dividend of 2 sen per share less 26% taxation on 205,978,000 ordinary shares, amounting to RM3,048,474 in respect of financial year ended 31 December 2007, will be proposed for shareholders' approval.

PASDEC HOLDINGS BERHAD
(Incorporated in Malaysia)

27 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
Basic earnings per share				
Profit attributable to the equity holder of the parent RM'000	6,231	2,248	6,231	2,248
Number of shares at the beginning of the period Unit (000)	205,978	205,978	205,978	205,978
Basic earnings per share (Sen)	3.03	1.09	3.03	1.09