

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

Interim Financial Statements
30 June 2008

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
For the Quarter Ended 30 June 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	26,614	8,469	47,928	28,778
Cost of sales	(19,687)	(7,343)	(32,256)	(16,472)
Gross Profit	6,927	1,126	15,672	12,306
Other income	3,473	32,799	8,492	32,935
Finance Income	134	691	254	961
Other expenses	(4,901)	(3,497)	(10,109)	(9,897)
Finance costs	(2,067)	(5,486)	(4,278)	(7,828)
Share of profit of associates	(135)	4	(248)	35
Profit before tax	3,431	25,637	9,783	28,512
Taxation	(582)	589	(1,022)	(273)
Profit for the period	2,849	26,226	8,761	28,239
Attributable to:				
Equity holders of the parent	3,161	26,474	9,393	28,721
Minority interest	(312)	(248)	(632)	(482)
	2,849	26,226	8,761	28,239
Earnings per share attributable to equity holders of the parent (Sen)				
Basic	1.53	12.85	4.56	13.94
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.

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Condensed Consolidated Balance Sheet As at 30 June 2008

	Unaudited 30.6.2008 RM'000	Audited 31.12.2007 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	18,283	16,172
Prepaid lease land	83	84
Investment property	7,447	7,505
Land held for development	141,032	138,211
Investment in associates	3,374	3,614
Other investments	54,381	67,804
Intangible assets	823	823
	<hr/> 225,423	<hr/> 234,213
Current Assets		
Development properties	156,191	147,107
Inventories	12,657	15,677
Trade receivables	64,267	63,618
Other receivables	21,795	23,078
Deposit, cash and bank balances	25,404	27,011
	<hr/> 280,314	<hr/> 276,491
TOTAL ASSETS	<hr/> 505,737	<hr/> 510,704
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	114,505	105,113
	<hr/> 363,491	<hr/> 354,099
Minority interest	9,815	10,447
Total Equity	<hr/> 373,306	<hr/> 364,546

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Condensed Consolidated Balance Sheet As at 30 June 2008

	Unaudited 30.6.2008 RM'000	Audited 31.12.2007 RM'000
Non Current Liabilities		
Deferred tax liabilities	74	74
Retirement benefits	2,255	1,865
Rainbow Exchangeable Bonds	46,000	61,000
Redemption Premium	5,019	3,486
Borrowings	9,302	5,326
	<u>62,650</u>	<u>71,751</u>
Current Liabilities		
Retirement benefits	27	27
Borrowings	37,229	31,387
Trade payables	15,927	25,634
Other payables	16,030	14,004
Current tax liabilities	568	3,355
	<u>69,781</u>	<u>74,408</u>
Total Liabilities	<u>132,431</u>	<u>146,159</u>
TOTAL EQUITY AND LIABILITIES	<u>505,737</u>	<u>510,704</u>
Net assets per share (RM)	1.76	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.

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**Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2008**

	---Attributable to the holders of the parent---				Minority interest	Total
	-----Non distributable-		Distributable			
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
1 January 2008	205,978	43,008	105,113	354,099	10,447	364,546
Profit for the year	-	-	9,392	9,392	(632)	8,760
30 June 2008	205,978	43,008	114,505	363,491	9,815	373,306
1 January 2007	205,978	43,008	77,590	326,576	15,309	341,885
Profit for the year	-	-	28,721	28,721	(482)	28,239
30 June 2007	205,978	43,008	106,311	355,297	14,827	370,124

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.

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**Condensed Consolidated Cash Flow Statement
For the Period Ended 30 June 2008**

	CUMULATIVE QUARTER	
	30.6.2008	30.6.2007
	RM'000	RM'000
Net cash (used)/ generated in operating activities	(19,405)	76,303
Net cash generated from investing activities	9,794	2,612
Net cash generated/(used) in financing activities	4,998	(78,793)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,613)	122
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	7,960	19,580
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<hr/> 3,347 <hr/>	<hr/> 19,702 <hr/>
Represented by:		
Deposit, cash and bank balances	25,404	26,929
Bank overdrafts (included within short term borrowing in note 23)	(22,057)	(7,227)
	<hr/> 3,347 <hr/>	<hr/> 19,702 <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.

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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 which are applicable to the Group:-

FRS 107	Cash Flow Statement
FRS 111	Construction Contract
FRS 112	Income Taxes
FRS 118	Revenue
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.

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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 RM4.0 million Rainbow Exchangeable Bond ("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 30 June 2008.

10 Segmental information

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

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	CUMULATIVE QUARTER 6 months ended 30.6.2008 RM'000	CUMULATIVE QUARTER 6 months ended 30.6.2007 RM'000
Segment Revenue		
Investment holding and provision of management services	289	289
Property Development	34,163	19,115
Construction	9,177	5,934
Trading in building materials	3,785	3,376
Bricks manufacturing	899	807
	48,313	29,521
Elimination	(385)	(743)
Total revenue	47,928	28,778

Segment Results

Investment holding and provision of management services	958	1,295
Property Development	7,402	5,649
Construction	841	273
Trading in building materials	183	(1)
Bricks manufacturing	(283)	(132)
Others	6,804	30,850
Sub Total	15,905	37,934
Finance cost	(4,278)	(7,828)
Share of profit from associates	(248)	35
Sub Total	(4,526)	(7,793)
Elimination	(1,596)	(1,629)
Profit before tax	9,783	28,512

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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 30.6.2008 RM'000	As at 30.6.2007 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 30 June 2008.

15 Review of performance

For the six months ended 30 June 2008, the Group has recorded a turnover of RM47.9 million compared to the turnover of RM28.8 million recorded in the preceding half year. The turnover increased significantly due to the Groups property development sector activity.

Profit before taxation for the current quarter decreased by RM18.7million as compared to the preceding year's corresponding quarter due to the higher gain arising from the exchange of rights by the bond holders during the first half of 2007.

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16 Review of current quarter profitability against preceding quarter

	Current Quarter 30.6.2008 RM'000	Preceding Quarter 31.3.2008 RM'000
Turnover	26,614	21,315
Profit before tax	3,431	6,353

During the current quarter under review, the Group recorded pre-tax profit of RM3.4 million as compared with RM6.4 million reported in the immediate preceding quarter mainly due to lower contribution from property development sector.

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 6 months ended		CUMULATIVE QUARTER 6 months ended	
	30.6.2008 RM'000	30.6.2007 RM'000	30.6.2008 RM'000	30.6.2007 RM'000
Malaysian tax: - current year	582	(589)	1,022	273

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.

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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 Rainbow Exchangeable Bonds ("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	4,000	15,000
Carrying value of shares	2,179	8,170
Total profit	1,821	6,830

Total investment in quoted securities as at 30 June 2008 is as follows:-

	RM'000
At cost	44,609
At carrying value	44,008
At market value	83,873

22 Corporate proposals

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

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23 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

	As at 30.6.2008 RM'000	As at 30.6.2007 RM'000
Short term borrowings		
- secured	36,470	22,414
- unsecured	758	4,262
Total short term borrowings	37,228	26,676
Long term borrowings		
- secured	60,322	73,868
- unsecured	-	-
Total long term borrowings	57,320	73,868
Total borrowings	97,550	100,544

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 Dividends proposed

Shareholders of Pasdec Holdings Berhad in an Annual General meeting held on 24 June 2008 had approved the declaration and payment of a final dividend of 2% less 26% income tax in respect of financial year ended 31 December 2007 amounting to RM3,048,474. The entitlement and payment date for the dividend was 15 August 2008 and 27 August 2008 respectively.

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27 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Basic earnings per share				
Profit attributable to the equity holder of the parent RM'000	3,161	26,474	9,393	28,721
Number of shares at the beginning of the period Unit (000)	205,978	205,978	205,978	205,978
Basic earnings per share (Sen)	1.53	12.85	4.56	13.94