

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

Interim Financial Statements
30 September 2009

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
For the Quarter Ended 30 September 2009**

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Revenue	26,096	32,336	52,196	80,264
Cost of sales	(20,690)	(29,274)	(38,152)	(61,530)
Gross profit	5,406	3,062	14,044	18,734
Other income	2,761	190	6,653	8,682
Finance income	25	130	224	385
Other expenses	(5,414)	(5,633)	(16,811)	(15,744)
Finance costs	(1,919)	(963)	(5,769)	(5,241)
Share of loss of associates	(395)	(39)	(351)	(287)
Profit/(loss) before tax	464	(3,253)	(2,010)	6,529
Taxation	(734)	817	(1,986)	(205)
(Loss)/profit for the period	(270)	(2,436)	(3,996)	6,324
Attributable to:				
Equity holders of the parent	24	(2,320)	(2,422)	7,072
Minority interest	(294)	(116)	(1,574)	(748)
	(270)	(2,436)	(3,996)	6,324
Earnings per share attributable to equity holders of the parent (Sen)				
Basic	0.01	-1.13	-1.18	3.43
Diluted	NA	NA	NA	NA
Dividend per share (Sen)	-	-	-	2

The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Balance Sheet As at 30 September 2009

	Unaudited 30.9.2009 RM'000	Audited 31.12.2008 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	18,018	21,171
Prepaid lease land	80	82
Investment property	7,429	7,516
Land held for development	155,224	143,720
Investment in associates	3,027	3,378
Other investments	42,820	46,202
Intangible assets	823	823
	<hr/> 227,421 <hr/>	<hr/> 222,892 <hr/>
Current Assets		
Development properties	143,087	164,918
Inventories	26,429	11,610
Trade receivables	48,478	68,205
Other receivables	28,669	16,977
Deposit, cash and bank balances	16,476	25,176
	<hr/> 263,139 <hr/>	<hr/> 286,886 <hr/>
TOTAL ASSETS	<hr/> 490,560 <hr/>	<hr/> 509,778 <hr/>
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	98,991	101,413
	<hr/> 347,977 <hr/>	<hr/> 350,399 <hr/>
Minority interest	7,001	8,575
Total Equity	<hr/> 354,978 <hr/>	<hr/> 358,974 <hr/>

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**Condensed Consolidated Balance Sheet
As at 30 September 2009**

	Unaudited 30.9.2009 RM'000	Audited 31.12.2008 RM'000
Non Current Liabilities		
Deferred tax liabilities	316	316
Retirement benefits	3,032	2,358
Rainbow Exchangeable Bonds	44,000	46,000
Redemption Premium	7,229	5,257
Borrowings	6,842	6,752
	<u>61,419</u>	<u>60,683</u>
Current Liabilities		
Retirement benefits	71	284
Borrowings	37,499	41,980
Trade payables	22,802	30,420
Other payables	11,109	16,428
Current tax liabilities	2,682	1,009
	<u>74,163</u>	<u>90,121</u>
Total Liabilities	<u>135,582</u>	<u>150,804</u>
TOTAL EQUITY AND LIABILITIES	<u>490,560</u>	<u>509,778</u>
Net assets per share (RM)	1.69	1.70

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 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 September 2009**

	---Attributable to the holders of the parent---				Minority	Total
	-----Non distributable-		Distributable		interest	
	Share	Share	Retained	Total		
	capital	premium	earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 January 2009	205,978	43,008	101,413	350,399	8,575	358,974
Loss for the period	-	-	(2,422)	(2,422)	(1,574)	(3,996)
30 September 2009	205,978	43,008	98,991	347,977	7,001	354,978
1 January 2008	205,978	43,008	105,113	354,099	10,447	364,546
Profit for the period	-	-	7,072	7,072	(748)	6,324
Dividend	-	-	(3,048)	(3,048)	-	(3,048)
30 September 2008	205,978	43,008	109,137	358,125	9,699	367,822

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 2008 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 September 2009**

	CUMULATIVE QUARTER	
	30.9.2009	30.9.2008
	RM'000	RM'000
Net cash used in operating activities	(11,147)	(23,635)
Net cash generated from investing activities	5,208	16,668
Net cash (used in)/generated from financing activities	(4,020)	456
	<hr/>	<hr/>
NET DECREASE IN		
CASH AND CASH EQUIVALENTS	(9,959)	(6,511)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	1,053	7,960
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	(8,906)	1,449
	<hr/>	<hr/>
Represented by:		
Deposit, cash and bank balances	16,476	25,395
Bank overdrafts (included within short term borrowing in note 22)	(25,382)	(23,946)
	(8,906)	1,449
	<hr/>	<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 2008 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 2008. 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 2008.

2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statement for the year ended 31 December 2008 was not qualified.

3 Seasonal or cyclical factors

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

4 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.

5 Changes in estimates

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

6 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 RM2.0 million Rainbow Exchangeable Bonds ("REBs") as tabulated in Note 20 of this report.

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7 Valuation of property, plant and equipment

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

8 Dividend paid

There was no dividend paid during the quarter ended 30 September 2009.

9 Segmental information

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

	CUMULATIVE QUARTER 9 months ended 30.9.2009 RM'000	CUMULATIVE QUARTER 9 months ended 30.9.2008 RM'000
Segment Revenue		
Investment holding and provision of management services	559	434
Property development	47,410	57,037
Construction	8,307	14,265
Trading in building materials	3,898	7,371
Bricks manufacturing	2,257	1,731
Sub Total	62,431	80,838
Elimination	(10,235)	(574)
Total Revenue	52,196	80,264

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Segment Results

Investment holding and provision of management services	29	890
Property development	2,539	5,571
Construction	(407)	843
Trading in building materials	(684)	565
Bricks manufacturing	(429)	(186)
Others	911	6,756
Total	1,959	14,439
Finance cost	(5,769)	(5,241)
Share of loss from associates	(351)	(287)
Sub Total	(4,161)	(5,528)
Elimination	2,151	(2,382)
(Loss)/profit before tax	(2,010)	6,529

10 Subsequent event

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

11 Changes in the composition of the Group

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

12 Contingent liabilities

Contingent liabilities of the Group comprise of the following:-

	As at 30.9.2009 RM'000	As at 30.9.2008 RM'000
Bank guarantee	283	283
Performance bond	210	210
Total	493	493

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13 Capital commitments

The Group did not have any capital commitment for the interim financial statement as at 30 September 2009.

14 Review of performance

The Group recorded total revenue of RM52.2 million for the financial period ended 30 September 2009, 35% lower than the preceding year quarter due to lower contribution from property and construction sectors of the Group in view of the current economic condition.

15 Review of current quarter profitability against preceding quarter

	Current Quarter 30.9.2009 RM'000	Preceding Quarter 30.6.2009 RM'000
Turnover	26,096	8,413
Profit/(loss) before tax	464	(2,799)

The Group's increased revenue and a profit for the current quarter compared to much lower revenue and a loss in previous immediate quarter are mainly due to contribution from joint venture project and sale of completed project by subsidiaries.

16 Prospects for the current financial year

The Group's performance for the financial year ending 31 December 2009 is expected to be affected by the prevailing economic condition.

17 Profit forecast and profit guarantee

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

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18 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	9 months ended		9 months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Malaysian tax:				
- current year	734	(817)	1,986	205

The effective tax rate for the cumulative quarter is higher than the statutory tax rate because of disallowance for tax purposes of certain expenses, in addition to losses that are not eligible as group relief incurred by certain subsidiaries.

19 Profit on sale of unquoted investment and/or properties

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

20 Purchase/Disposal of quoted securities

The exchange of RM2.0 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	2,000	2,000
Carrying value of shares	1,089	1,089
Total profit	911	911

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Total investment in quoted securities as at 30 September 2009 is as follows:-

	RM'000
At cost	44,675
At carrying value	43,909
At market value	72,926

21 Corporate proposals

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

22 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

	As at 30.9.2009 RM'000	As at 30.9.2008 RM'000
Short term borrowings		
- secured	37,397	33,728
- unsecured	102	758
Total short term borrowings	37,499	34,486
Long term borrowings		
- secured	57,968	63,059
- unsecured	103	-
Total long term borrowings	58,071	63,059
Total borrowings	95,570	97,545

23 Off balance sheet financial instruments

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

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24 Material litigation

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

25 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Basic earnings per share				
Profit/(loss) attributable to the equity holders of the parent RM'000	24	(2,320)	(2,422)	7,072
Number of shares at the beginning of the period Unit ('000)	205,978	205,978	205,978	205,978
Basic earnings per share (Sen)	0.01	-1.13	-1.18	3.43