

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

Interim Financial Statements
31 March 2011

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the Quarter Ended 31 March 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	17,463	23,623	17,463	23,623
Cost of sales	(11,381)	(14,796)	(11,381)	(14,796)
Gross Profit	6,082	8,827	6,082	8,827
Other income	87	1,852	87	1,852
Finance income	61	110	61	110
Other expenses	(4,658)	(4,380)	(4,658)	(4,380)
Finance costs	(1,453)	(1,518)	(1,453)	(1,518)
Share of profit /(loss) of associates	71	(471)	71	(471)
Profit before tax	190	4,420	190	4,420
Taxation	(28)	(372)	(28)	(372)
(Loss)/profit net of tax	162	4,048	162	4,048
Attributable to:				
Equity holders of the parent	162	4,171	162	4,171
Minority interests	-	(123)	-	(123)
	162	4,048	162	4,048
Earnings per share attributable to equity holders of the parent (Sen)				
Basic	0.08	2.02	0.08	2.02
Diluted	NA	NA	NA	NA
Dividend per share (Sen)	-	-	-	-

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position As at 31 March 2011

	Unaudited 31.3.2011 RM'000	Audited 31.12.2010 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	13,150	13,123
Land held for property development	138,250	142,165
Investment properties	7,130	7,173
Investments in associates	3,271	3,200
Marketable securities	87,372	86,136
Deferred tax assets	2,006	2,006
Intangible assets	808	808
	251,987	254,611
Current Assets		
Property development costs	138,439	132,547
Inventories	22,204	22,790
Trade receivables	47,064	52,746
Other receivables	32,200	32,213
Cash and bank balances	21,347	22,538
	261,254	262,834
TOTAL ASSETS	513,241	517,445
EQUITY AND LIABILITIES		
Current Liabilities		
Retirement benefits	37	671
Borrowings	32,533	33,179
Trade payables	17,602	23,336
Other payables	12,200	12,809
Tax payable	3,801	3,773
	66,173	73,768
NET CURRENT ASSETS	195,081	189,066

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position As at 31 March 2011

	Unaudited 31.3.2011 RM'000	Audited 31.12.2010 RM'000
Non Current Liabilities		
Retirement benefit obligations	3,608	3,001
Borrowings	57,864	56,478
	61,472	59,479
TOTAL LIABILITIES	127,645	133,247
Equity attributable to owners of the parent		
Share capital	205,978	205,978
Share premium	43,008	43,008
Other reserves	38,411	37,175
Retained earnings	98,199	98,037
Total equity	385,596	384,198
TOTAL EQUITY AND LIABILITIES	513,241	517,445
Net assets per share (RM)	1.87	1.87

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010 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 2011

	-----Attributable to owners of the parent-----								
	-----Non- distributable-----				--Distributable--				
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Premium paid on acquisition of minority interest RM'000	Total Other reserves RM'000	Retained earnings RM'000	Sub Total RM'000	Minority Interest RM'000	Total Equity RM'000
1 Jan 2011	205,978	43,008	47,073	(9,898)	37,175	98,037	384,198	-	384,198
Profit	-	-	-	-	-	162	162	-	162
FRS 139	-	-	1,236	-	1,236	-	1,236	-	1,236
31 March 2011	205,978	43,008	48,309	(9,898)	38,411	98,199	385,596	-	385,596
1 Jan 2010	205,978	43,008	-	-	-	96,993	345,979	4,288	350,267
Profit	-	-	-	-	-	4,171	4,171	(123)	4,048
FRS 139	-	-	43,406	-	43,406	-	43,406	-	43,406
31 March 2010	205,978	43,008	43,406	-	43,406	101,164	396,556	4,165	397,721

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 2010 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 2011

	CUMULATIVE QUARTER	
	31.3.2011	31.3.2010
	RM'000	RM'000
Net cash used in operating activities	(1,413)	(2,151)
Net cash generated from investing activities	946	1,884
Net cash used in financing activities	(1,705)	(1,598)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,172)	(1,865)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	3,678	(2,351)
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	1,506	(4,216)
Represented by:		
Fixed deposits, cash and bank balances	21,329	18,437
Bank overdrafts (included within short term borrowings in note 23)	(19,823)	(22,653)
	1,506	(4,216)

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 2010 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 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 year ended 31 December 2010.

2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group' financial period beginning 1 January 2011.

FRSs, Amendments to FRSs and IC Interpretations

FRS 1 : First-time Adoption of Financial Reporting Standards

FRS 3 : Business Combinations (Revised)

FRS 127 : Consolidated and Separate Financial Statements

Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 : Additional Exemptions for First-time Adopters

Amendments to FRS 2 : Share-based Payment

Amendments to FRS 2 : Group Cash Settle Share-based Payment Transactions

Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 7 : Improving Disclosure about Financial Instruments

Amendments to FRS 132 : Financial Instruments: Presentation Classification of Rights Issues

Amendments to FRS 138 :Intangible Assets

Amendments to FRSs - Improvements to FRS issued in 2010

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

IC Interpretation 4 : Determining Whether an Arrangement Contains a Lease
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of a Non-cash Assets to Owners
IC Interpretation 18 :Transfer of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statement.

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretation

	Effective date
FRS 124 : Related Party Disclosures	1 January 2012
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15: Agreement for the Construction of Real Estate	1 Jan 2011

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

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.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

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, and repayment of debts and equity securities for the current quarter.

8 Valuation of property, plant and equipment

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

9 Dividend paid

There was no dividend paid during the quarter ended 31 March 2011.

10 Segmental information

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

	CUMULATIVE QUARTER 3 months ended 31.3.2011 RM'000	CUMULATIVE QUARTER 3 months ended 31.3.2010 RM'000
Segment revenue		
Investment holding	4,324	4,124
Property development	13,115	19,336
Construction	2,785	3,973
Trading in building materials	474	275
Bricks manufacturing	183	529
Others	259	-
	21,140	28,237
Elimination	(3,677)	(4,614)
Revenue	17,463	23,623

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Segment results

Investment holding	6,678	6,365
Property development	1,282	7,349
Construction	(274)	(565)
Trading in building materials	(647)	(136)
Bricks manufacturing	(198)	(136)
Others	106	(4)
Total	6,947	12,873
Elimination	(5,375)	(6,464)
	1,572	6,409
Finance costs	(1,453)	(1,518)
Share of profit/(loss) from associates	71	(471)
Profit before tax	190	4,420

11 Changes in the composition of the Group

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

12 Subsequent events

- a) On 1 April 2011, a wholly owned subsidiary, Mutiara Pasdec Sdn. Bhd. entered into a Sale and Purchase Agreement to acquire 10,000,000 ordinary shares of RM1.00 representing 100% equity interest in Pahang Off-Shore Sdn Bhd for a total consideration of RM8,855,000.
- b) On 11 April 2011, a wholly owned subsidiary, Pasdec Bina Sdn. Bhd. entered into a Sale and Purchase Agreement to dispose its entire equity interest in Kuantan Bricks Sdn. Bhd. for a total consideration of RM2,200,000.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

13 Contingent liabilities

The Group has provided the following guarantees at the reporting date:-

	As at 31.3.2011 RM'000	As at 31.3.2010 RM'000
Investments		
Quoted shares pledged to banks for certain facilities granted to a related company	49,674	43,452

14 Capital commitments

The Group did not have any capital commitment for the interim financial statements as at 31 March 2011.

15 Review of performance

The Group recorded revenue of RM17.46 million for the quarter under review, representing a decrease of 26% over the previous year corresponding quarter's revenue of RM23.62 million. The decrease was mainly attributable to lower contribution of the Group's property development sector.

16 Review of current quarter profitability against preceding quarter

	Current Quarter 31.3.2011 RM'000	Preceding Quarter 31.12.2010 RM'000
Turnover	17,463	27,287
Profit before tax	190	4,420

During the quarter under review, the Group recorded profit before tax of RM0.19 million compared with profit of RM4.42 million reported in the immediate preceding quarter mainly due to disposal of land by a subsidiary in the preceding quarter.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

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 2011.

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	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Malaysian tax:				
- current period	28	372	28	372

The effective tax rate for the quarter is lower than the statutory tax rate mainly due to utilisation of tax relief arises from the current period adjusted losses of certain subsidiaries.

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 Marketable securities

There was no exchange of marketable securities or available for sale ("AFS") investments for the financial period ended 31 March 2011.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

22 Corporate proposals

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

23 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

	As at 31.3.2011 RM'000	As at 31.3.2010 RM'000
Short term borrowings		
- secured	31,599	26,465
- unsecured	934	1,054
Total short term borrowings	<u>32,533</u>	<u>27,519</u>
Long term borrowings		
- secured	57,633	68,634
- unsecured	231	333
Total long term borrowings	<u>57,864</u>	<u>68,967</u>
Total borrowings	<u>90,397</u>	<u>96,486</u>

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

No dividend was declared for the quarter under review.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

27 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Basic earnings per share				
(Loss)/profit attributable to the equity holder of the parent RM'000	162	4,171	162	4,171
Number of shares at the beginning of the period Unit ('000)	205,978	205,978	205,978	205,978
Basic earnings per share (Sen)	0.08	2.02	0.08	2.02

28 Realised and unrealised retained earnings disclosure.

	Unaudited 30.3.2011	Audited 31.12.2010
Realised	50,447	59,110
Unrealised	2,814	2,814
	53,261	61,924
Share of retained earnings of associates		
-Realised	2,025	1,955
	55,286	63,879
Add: Consolidation adjustment	42,913	34,158
Retained earnings c/f	98,199	98,037