

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

Interim Financial Statements
30 September 2011

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income
For the Period Ended 30 September 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	20,015	14,487	69,230	57,857
Cost of sales	(10,090)	(11,287)	(55,960)	(38,805)
Gross profit	9,925	3,200	13,270	19,052
Other income	330	150	9,350	4,984
Finance income	123	27	276	170
Other expenses	(8,805)	(4,502)	(21,071)	(14,941)
Finance costs - current	(1,850)	(1,744)	(3,081)	(4,749)
- previous year over provision	-	-	1,224	-
Share of profit /(loss) of associates	174	20	303	(68)
(Loss)/profit before tax	(103)	(2,849)	271	4,448
Taxation	(271)	351	(429)	(138)
(Loss)/profit net of tax	(374)	(2,498)	(158)	4,310
Attributable to:				
Equity holders of the parent	(348)	(2,043)	(132)	4,750
Minority interests	(26)	(455)	(26)	(440)
	(374)	(2,498)	(158)	4,310
(Loss)/earnings per share attributable to equity holders of the parent (Sen)				
Basic	(0.16)	(0.99)	(0.06)	2.31
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.

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Condensed Consolidated Statements of Financial Position as at 30 September 2011

	Unaudited 30.9.2011 RM'000	Audited 31.12.2010 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	17,645	13,123
Land held for property development	146,934	142,165
Investment properties	7,044	7,173
Investments in associates	3,503	3,200
Marketable securities	72,083	86,136
Deferred tax assets	12,297	2,006
Intangible assets	808	808
	260,314	254,611
Current Assets		
Property development costs	127,312	132,547
Inventories	37,765	22,790
Trade receivables	44,325	52,746
Other receivables	20,633	32,213
Cash and bank balances	24,928	22,538
	254,963	262,834
TOTAL ASSETS	515,277	517,445
EQUITY AND LIABILITIES		
Current Liabilities		
Retirement benefits	62	671
Borrowings	42,978	33,179
Trade payables	30,973	23,336
Other payables	30,421	12,809
Tax payable	1,806	3,773
	106,240	73,768
NET CURRENT ASSETS	148,723	189,066

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Condensed Consolidated Statements of Financial Position as at 30 September 2011

	Unaudited 30.9.2011 RM'000	Audited 31.12.2010 RM'000
Non Current Liabilities		
Retirement benefit obligations	3,802	3,001
Borrowings	52,067	56,478
	55,869	59,479
TOTAL LIABILITIES	162,109	133,247
Equity attributable to owners of the parent		
Share capital	205,978	205,978
Share premium	43,008	43,008
Other reserves	5,038	37,175
Retained earnings	99,170	98,037
	353,194	384,198
Non-controlling interest	(26)	-
Total equity	353,168	384,198
TOTAL EQUITY AND LIABILITIES	515,277	517,445
Net assets per share (RM)	1.71	1.87

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.

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Condensed Consolidated Statement of Changes in Equity For the Period Ended 30 September 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 non-controlling interest RM'000	Other reserves RM'000	Total other reserves RM'000	Retained earnings RM'000	Sub Total RM'000	Non-controlling 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
Loss	-	-	-	-	-	-	(132)	(132)	(26)	(158)
Redeemed shares	-	-	(3,160)	-	-	(3,160)	-	(3,160)	-	(3,160)
Translation difference	-	-	-	-	27,709	27,709	-	27,709	-	27,709

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Condensed Consolidated Statement of Changes in Equity For the Period Ended 30 September 2011 (continued)

	-----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 non-controlling interest RM'000	Other reserves RM'000	Total other reserves RM'000	Retained earnings RM'000	Sub Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Revaluation reserve	-	-	-	-	(56,686)	(56,686)	-	(56,686)	-	(56,686)
Dividend	-	-	-	-	-	-	(4,120)	(4,120)	-	(4,120)
Effect on acquisition of subsidiaries	-	-	-	-	-	-	5,385	5,385	-	5,385
30 Sept 2011	205,978	43,008	43,913	(9,898)	(28,977)	5,038	99,170	353,194	(26)	353,168
Jan 2010	205,978	43,008	-	-	-	-	96,993	345,979	4,288	350,267
Profit /(loss)	-	-	-	-	-	-	4,750	4,750	(440)	4,310
FRS 139	-	-	42,780	-	-	42,780	-	42,780	-	42,780
30 Sept 2010	205,978	43,008	42,780	-	-	42,780	101,743	393,509	3,848	397,357

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.

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Condensed Consolidated Cash Flow Statement For the Period Ended 30 September 2011

	CUMULATIVE QUARTER	
	30.9.2011	30.9.2010
	RM'000	RM'000
Net cash generated from operating activities	2,127	13,778
Net cash used in investing activities	(7,497)	(76)
Net cash generated used in financing activities	(2,118)	(10,734)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,488)	2,968
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	3,678	(2,351)
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CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	(3,810)	617
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Represented by:		
Cash and bank balances	24,926	18,696
Bank overdrafts (included within short term borrowings in note 21)	(28,736)	(18,079)
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	(3,810)	617
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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.

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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 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 Right Issues
- .Amendments to FRS 138 :Intangible Assets
- .Amendments to FRSs - Improvements to FRS issued in 2010

- .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

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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.

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 except for the repayment of RM1.0 million Rainbow Exchangeable Bonds ("REBs") as tabulated in note 19 of this report.

8 Valuation of property, plant and equipment

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

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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 30.9.2011 RM'000	CUMULATIVE QUARTER 9 months ended 30.9.2010 RM'000
Segment revenue	9,019	9,021
Investment holding		
Property development	37,331	50,131
Construction	5,846	12,241
Trading in building materials	1,396	1,734
Manufacturing	35,293	1,384
Others	262	-
	89,147	74,511
Elimination	(19,917)	(16,654)
Revenue	69,230	57,857
Segment results		
Investment holding	19,357	15,337
Property development	1,955	12,336
Construction	(1,255)	(186)
Trading in building materials	(1,051)	2,513
Manufacturing	821	(606)
Others	29	(33)
Total	19,856	29,361
Elimination	(16,516)	(20,096)
Sub Total	3,340	9,265
Finance costs		
- current	(4,596)	(4,749)
- previous year's over provision	1,224	-
Share of profit/(loss) from associates	303	(68)
Profit before tax	271	4,448

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10 Changes in the composition of the Group

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

11 Contingent liabilities

There were no contingent liabilities since the last annual balance sheet date to the date of this report.

12 Capital commitments

The Group did not have any capital commitment for the interim financial statements as at 30 September 2011.

13 Review of performance

The Group recorded revenue of RM69.23 million for the period under review, representing an increase of 20% compared with the previous year's corresponding period revenue of RM57.86 million. The increase was attributable to manufacturing activity of a new subsidiary in South Africa.

14 Review of current quarter profitability against preceding quarter

	Current Quarter 30.9.2011 RM'000	Preceding Quarter 30.6.2011 RM'000
Turnover	20,015	31,752
(Loss)/profit before tax	(374)	184

During the quarter under review, the Group recorded a net loss before tax of RM374k compared with RM184k profit reported in the immediate preceding quarter mainly due to losses in the development sector.

15 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.

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16 Profit forecast and profit guarantee

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

17 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Corporate tax	271	(488)	429	1
Real property gain tax	-	137	-	137
	271	(351)	429	138

The effective tax rate for the quarter is higher than the statutory tax rate due to certain expenses not deductible for tax purposes.

18 Profit on sale of properties

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

19 Marketable securities

The exchange of marketable securities during the quarter under review is as follows:-

	RM'000
Amount of REBs Exchanged	1,000
Carrying value of shares	545
Profit	455

20 Corporate proposals

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

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21 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

	As at 30.9.2011 RM'000	As at 30.9.2010 RM'000
Short term borrowings		
- secured	42,034	22,549
- unsecured	945	124
Total short term borrowings	42,979	22,673
Long term borrowings		
- secured	51,870	68,369
- unsecured	196	261
Total long term borrowings	52,066	68,630
Total borrowings	95,045	91,303

22 Off balance sheet financial instruments

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

23 Material litigation

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

24 Dividend

No dividend was declared during the quarter under review.

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25 Earnings per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Basic earnings per share				
(Loss)/profit attributable to the equity holders of the parent RM'000	(348)	(2,043)	(132)	4,750
Number of shares at the beginning of the period Unit ('000)	205,978	205,978	205,978	205,978
Basic (loss)/earnings per share (Sen)	(0.16)	(0.99)	(0.06)	2.31

26 Realised and unrealised retained earnings disclosure

	Unaudited 30.9.2011	Audited 31.12.2010
Realised	(39,383)	59,110
Unrealised	21,389	2,814
	(17,994)	61,924
Share of retained earnings of associates		
-Realised	2,257	1,955
	(15,737)	63,879
Add: Consolidation adjustment	114,907	34,158
Retained earnings c/f	99,170	98,037