PASDEC HOLDINGS BERHAD

**Company no: 367122-D**

**(Incorporated in Malaysia)**

**Financial Statements**

 **31 December 2011**

#### Condensed Consolidated Statements of Comprehensive Income

**for the year ended 31 December 2011**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER** **3 months ended** |  | **CUMULATIVE QUARTER****12 months ended** |
|  | **31.12.2011** |  | 31.12.2010 |  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |  | **RM’000** |  | RM’000 |
|  |  |  |  |  |  |  |  |
| Revenue | **25,503** |  | 27,286 |  | **94,733** |  | 85,143 |
| Cost of sales | **(17,575)** |  | (21,620) |  | **(73,535)** |  | (60,425) |
| **Gross profit** | **7,928** |  | 5,666 |  | **21,198** |  | 24,718 |
|  |  |  |  |  |  |  |  |
| **Other items of income** |  |  |  |  |  |  |  |
| Other (loss)/income | **(11)** |  | 2,515 |  | **9,339** |  | 7,499 |
| Interest income | **204** |  | 149 |  | **480** |  | 319 |
|  |  |  |  |  |  |  |  |
| **Other items of** **expense** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Administrative expenses | **(3,537)** |  | (1,783) |  | **(12,562)** |  | (9,671) |
| Other expenses | **(4,454)** |  | (2,803) |  | **(16,500)** |  | (9,856) |
| Finance costs |  |  |  |  |  |  |  |
|  -current | **(3,073)** |  | (1,365) |  | **(6,154)** |  | (6,114) |
|  -over provision of previous year  | **1,673** |  | - |  | **2,897** |  | - |
|  |  |  |
| Share of (loss)/income of associates | **(210)** |  | - |  | **93** |  | (68) |
|  |  |  |
|  |  |  |
| **(Loss)/profit before tax**  | **(1,480)** |  | 2,379 |  | **(1,209)** |  | 6,827 |
| Income tax expense  (Note 17) | **1,118** |  | (2,213) |  | **689** |  | (2,351) |
|  |  |  |
|  **Profit/(loss) net of tax** | **(362)** |  | 166 |  | **(520)** |  | 4,476 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

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.

**Condensed Consolidated Statements of Comprehensive Income**

**for the year ended 31 December 2011 (continued)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **INDIVIDUAL QUARTER****3 months ended** |  | **CUMULATIVE QUARTER****12 months ended** |
|  | **31.12.2011** |  | 31.12.2010 |  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |  | **RM’000** |  | RM’000 |
| **Other comprehensive**  **income** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Net gain on available-for sale financial assets |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| -Loss on fair value changes | **(8,256)** |  | 4,297 |  | **(2,760)** |  | (8,040) |
| -Transfer to profit and  loss upon disposal | **-** |  | (3) |  | **(9,106)** |  | (3,190) |
|  |  |  |
| **Other comprehensive**  **income for the year,**  **net of tax**  | **(8,256)** |  | 4,294 |  | **(11,866)** |  | (11,230) |
|  |  |  |
|  |  |  |
| **Total comprehensive**  **income/(loss) for the** **year, net of tax**  | **(8,618)** |  | 4,461 |  | **(12,386)** |  | (6,754) |
|  |  |  |
|  |  |  |
|  |  |  |  |  |  |  |  |
| **Profit/(loss)** **attributable to:** |  |  |  |  |  |  |  |
| Owners of the parent | **(384)** |  | (3,706) |  | **(516)** |  | 1,044 |
|  Non-controlling interests | **22** |  | 3,872 |  | **(4)** |  | 3,432 |
|   | **(362)** |  | 166 |  | **(520)** |  | 4,476 |
|  |  |  |  |  |  |  |  |
| **Total comprehensive**  |  |  |  |  |  |  |  |
|  **income attributable**  |  |  |  |  |  |  |  |
|  **to:** |  |  |  |  |  |  |  |
| Owners of the parent | **(8,640)** |  | 589 |  | **(12,382)** |  | (10,186) |
| Non-controlling interests | **22** |  | 3,872 |  | **(4)** |  | 3,432 |
|  | **(8,618)** |  | 4,461 |  | **(12,386)** |  | (6,754) |
|  |  |  |  |  |  |  |  |
| **Earnings/(loss) per** **share attributable to** **owners of the Company** (Note 28) |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Basic (sen) | **(0.19)** |  | (1.80) |  | **(0.25)** |  | 0.51 |
| Diluted | **-** |  | - |  | **-** |  | - |

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.

**Condensed Consolidated Statements of Financial Position**

as at 31 December 2011

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Note | **Unaudited** |  | Audited |
|  |  | **31.12.2011** |  | 31.12.2010 |
|  |  | **RM’000** |  | RM’000 |
|  |  |  |  |  |
| **ASSETS** |  |  |  |  |
| **Non Current Assets** |  |  |  |  |
| Property, plant and equipment |  | **14,857** |  | 13,123 |
| Land held for property development |  | **136,239** |  | 142,165 |
| Investment properties |  | **10,049** |  | 7,173 |
| Investments in associates |  | **22,092** |  | 3,200 |
| Investment securities | 21 | **63,377** |  | 86,136 |
| Deferred tax assets |  | **11,923** |  | 2,006 |
| Intangible assets |  | **808** |  | 808 |
|  |  | **259,345** |  | 254,611 |
| **Current Assets** |  |  |  |  |
| Property development costs |  | **92,761** |  | 132,547 |
| Inventories |  | **77,127** |  | 22,790 |
| Trade receivables |  | **44,837** |  | 52,746 |
| Other receivables |  | **19,178** |  | 32,213 |
| Cash and bank balances |  | **31,839** |  | 22,538 |
|  |  | **265,742** |  | 262,834 |
| **TOTAL ASSETS** |  | **525,087** |  | 517,445 |
|  |  |  |  |  |
| **EQUITY AND LIABILITIES** |  |  |  |  |
|  |  |  |  |  |
| **Current Liabilities** |  |  |  |  |
| Retirement benefits |  | **61** |  | 671 |
| Borrowings |  | **48,807** |  | 33,179 |
| Trade payables |  | **31,302** |  | 23,336 |
| Other payables |  | **31,749** |  | 13,041 |
| Tax payable |  | **840** |  | 3,773 |
|  |  | **112,759** |  | 74,000 |
| **NET CURRENT ASSETS** |  | **152,983** |  | 188,834 |
|  |  |  |  |  |

**Condensed Consolidated Statements of Financial Position**

as at 31 December 2011 (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Unaudited** |  | Audited |
|  |  | **31.12.2011** |  | 31.12.2010 |
|  |  | **RM’000** |  | RM’000 |
|  |  |  |  |  |
| **Non Current Liabilities** |  |  |  |  |
| Retirement benefit obligations |  | **3,840** |  | 3,001 |
| Borrowings |  | **80,617** |  | 56,246 |
|  |  | **84,457** |  | 59,247 |
| **TOTAL LIABILITIES** |  | **197,216** |  | 133,247 |
|  |  |  |  |  |
| **Equity attributable to owners of the parent** |  |  |  |  |
| Share capital |  | **205,978** |  | 205,978 |
| Share premium |  | **43,008** |  | 43,008 |
| Other reserves |  | **44,695** |  | 37,175 |
| Retained earnings |  | **34,194** |  | 98,037 |
|  |  | **327,875** |  | 384,198 |
| Non-controlling interest |  | **(4)** |  | - |
| **Total equity** |  | **327,871** |  | 384,198 |
| **TOTAL EQUITY AND LIABILITIES** |  | **525,087** |  | 517,445 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Net assets per share (RM)  |  | **1.59** |  | 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 statement

**Condensed Consolidated Statement of Changes in Equity**

for the year ended 31 December 2011

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **|------------------------------------Attributable to owners of the parent-----------------------------------------------------------|** |  |
|  |  |  | **|----Non Distributable----|** | **Distributable** | **|-----------------------Non Distributable-------------------|** |  |
|  | **Total equity** |  |  |  |  |  | **Premium****paid on** **acquisition****of non-**  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | **Total****equity****attributable****to owners** |  |  |  |  | **Fair****value** | **Foreign currency** | **Non-** |
|  |  |  |  | **Total****other****reserves** |
|  | **of the** **parent** | **Share****capital** | **Share****premium** | **Retained****earnings** | **change****reserve** | **controlling** | **exchange** | **controlling** |
|  | **interest** | **reserve** | **interest** |
|  | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| **1 Jan 2011** | **384,198** | **384,198** | **205,978** | **43,008** | **98,037** | **37,175** | **47,073** | **(9,898)** | **-** | **-** |
| Total |  |  |  |  |  |  |  |  |  |  |
|  comprehensive |  |  |  |  |  |  |  |  |  |  |
|  income | **(12,386)** | **(12,382)** | - | - | **(516)** | **(11,866)** | **(11,866)** | - | - | **(4)** |
|  | **371,812** |  | **205,978** | **43,008** | **97,521** | **25,309** | **35,207** | **(9,898)** | **-** | **(4)** |
| **Transactions with owners** |  |  |  |  |  |  |  |  |
| Effect on  |  |  |  |  |  |  |  |  |  |  |
|  acquisition  |  |  |  |  |  |  |  |  |  |  |
|  of subsidiary  | **(59,207)** | **(59,207)** | **-** | **-** | **(59,207)** | - | **-** | - | **-** | **-** |
| (Note 24) |  |  |  |  |  |  |  |  |  |  |
| Dividend | **(4,120)** | **(4,120)** | **-** | **-** | **(4,120)** | - | **-** | - | **-** | **-** |
| (Note 27) |  |  |  |  |  |  |  |  |  |  |
| Translation | **19,386** | **19,386** | **-** | **-** | **-** | **19,386** | **-** | - | **19,386** | - |
| (Note 24) |  |  |  |  |  |  |  |  |  |  |
|  | **(43,941)** | **(43,941)** | **-** | **-** | **(63,327)** | **19,386** | **-** | - | **27,790** | - |
| **31 Dec 2011** | **327,871** | **327,875** | **205,978** | **43,008** | **34,194** | **44,695** | **35,207** | **(9,898)** | **27,790** | **(4)** |

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.

**Condensed Consolidated Statement of Changes in Equity**

for the year ended 31 December 2011 (continued)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **|------------------------------------Attributable to owners of the parent-----------------------------------------------------------|** |  |
|  |  |  | **|----Non Distributable----|** | **Distributable** | **|-----------------------Non Distributable-------------------|** |  |
|  |  |  |  |  |  |  |  | **Premium paid on****acquisition of non-** |  |  |
|  | **Total****equity****attributable****to owners** |  |  |  |  | **Fair** | **Foreign** | **Non-** |
|  |  |  |  | **Total****other****reserves** |
|  | **of the** **parent** | **Share****capital** | **Share****premium** | **Retained****earnings** | **Value****change****reserve** | **acquisition** | **currency** |
|  | **of non-****interest** | **exchange reserve**  | **controlling interest** |
|  | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| **1 Jan 2010** | **350,268** | **345,979** | **205,978** | **43,008** | **96,993** | **-** | **-** | **-** | **-** | **4,289** |
| Effects of  adopting FRS 139 | **58,303** | **58,303** | **-** | **-** | **-** | **58,303** | **58,303** | **-** | **-** | **-** |
|  | **408,571** | **404,282** | **205,978** | **43,008** | **96,993** | **58,303** | **58,303** | **-** | **-** | **4,289** |
|  |  |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |  |
| comprehensive |  |  |  |  |  |  |  |  |  |  |
|  income | (6,754) | (10,186) | - | - | 1,044 | (11,230) | (11,230) | - | - | 3,432 |
| **Transactions with owners** |  |  |  |  |  |  |  |  |
| Acquisition | (7,721) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | (7,721) |
| Premium | (9,898) | (9,898) | **-** | **-** | **-** | (9,898) | **-** | (9,898) | **-** | **-** |
|  | (17,619) | (9,898) | **-** | **-** | **-** | (9,898) | **-** | (9,898) | **-** | (7,721) |
| **31 Dec 2010** | **384,198** | **384,198** | **205,978** | **43,008** | **98,037** | **37,175** | **47,073** | **(9,898)** | **-** | - |

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement**

for the year ended 31 December 2011

|  |  |
| --- | --- |
|  | **CUMULATIVE QUARTER** |
|  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |
|  |  |  |  |
| Net cash (used in)/ generated from operating activities | **(13,770)** |  | 3,395 |
| Net cash (used in)/generated from investing activities | **(14,979)** |  | 17,265 |
| Net cash generated/( used in) financing activities | **29,286** |  | (14,631) |
| **NET INCREASE IN CASH AND**  **CASH EQUIVALENTS** | **537** |  | 6,029 |
|  |
| **CASH AND CASH EQUIVALENTS AT THE** **BEGINNING OF FINANCIAL YEAR** | **3,678** |  | (2,351) |
|  |
| **CASH AND CASH EQUIVALENTS AT THE END**  **OF FINANCIAL YEAR**  |  |  |  |
| **4,215** |  | 3,678 |
|  |  |  |  |
| **Represented by:** |  |  |  |
| Cash and bank balances | **31,839** |  | 22,538 |
| Bank overdrafts (included in short term borrowings in Note 23) | **(27,624)** |  | (18,860) |
|  |
|  | **4,215** |  | 3,678 |

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.

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

## 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.

1. **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 year 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) |
| Amendments to FRS 1: Limited Exemptions from Comparative FRS 127 Disclosures  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 |
| IC Interpretation 4: Determine Whether an Arrangement Contains a Lease |
| IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation |
| IC Interpretation 17: Distribution of a Non-cash Assets to Owners |
| IC Interpretation 18: Transfer of Assets from Customers |
| Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives |

**2 Changes in Accounting Policies (continued)**

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 Interpretation14: Prepayments of a Minimum Funding Requirement | 1 July 2011 |
| IC Interpretation 15: Agreement for the Construction of Real Estate | 1 July 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.

**8 Valuation of property, plant and equipment**

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

**9** **Segmental information**

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

|  |  |
| --- | --- |
|  | **CUMULATIVE QUARTER** |
|  | **12 MONTHS ENDED** |
|  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |
| **Segment revenue** |  |  |  |
| Investment holding | **16,261** |  | 15,257 |
| Property development  | **49,365** |  | 96,599 |
| Construction | **5,849** |  | 16,041 |
| Trading in building materials | **1,483** |  | 2,157 |
| Manufacturing | **36,291** |  | 1,737 |
| Others | **262** |  | 68 |
|  | **109,511** |  | 131,859 |
| Elimination | **(14,778)** |  | (46,716) |
| **Revenue** | **94,733** |  | 85,143 |
| **Segment results** |  |  |  |
| Investment holding | **8,417** |  | 25,247 |
| Property development  | **6,868** |  | 28,049 |
| Construction | **(90)** |  | (1,124) |
| Trading in building materials | **(280)** |  | (899) |
| Manufacturing | **1,499** |  | (587) |
| Others | **(19)** |  | (8) |
| **Total**  | **16,395** |  | 50,678 |
| Elimination | **(14,440)** |  | (37,669) |
| **Sub Total**  | **1,955** |  | 13,009 |
| Finance costs * current
 | **(6,154)** |  | (6,114) |
| * previous year’s over provision
 | **2,897** |  | - |
| Share of profit/(loss) from associates | **93** |  | (68) |
| **(Loss)/profit before taxation** | **(1,209)** |  | 6,827 |
|  |

**10 Changes in the composition of the Group**

On 16 November, 2011 the Group acquired 125 units or 30.87% shareholding in CRH Africa Holdings (Pty) Ltd. The company is primarily engaged in the manufacturing of high quality seat components and catalytic converters for the automotive industry.

The details of share of interest in the company are as follows:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |
|  |  |  |  |
| Unquoted shares, at cost | **18,798** |  | - |
| Share of post-acquisition reserves | **119** |  | - |
|  | **18,917** |  | - |

## 11 Legal claims

1. Pasdec Resources S.A. Limited is defending a claim by a former director of a subsidiary company for various amounts, the most significant of which is an amount of approximately RM9.99 mil plus 20% of profits earned by Pasdec Automative Technologies earned between 1998 and 2003 plus interest, against Pasdec Resources SA Limited and Pasdec Automative Technologies. The same former director is pursuing a claim against the companies for approximately RM0.31 mil plus cost and interest in the Labour Court of South Africa. The directors consider the claims to have no substance. The Group has been advised by its legal counsel that it is possible that the action will succeed and accordingly provided for damages of RM778k in the financial statement.
2. The company is pursuing a civil claim instituted in February 2006 against a former director to recover amount totaling RM3.45 mil plus interest which if the court in deciding the matter finds the amounts to be recoverable, would result in a liability of RM3.45 mil plus interest to a third party by a subsidiary company. As the amount of the matter is uncertain and cannot be presently determined, no asset and liability has been recognized in the financial statement.
3. The company intends instituting a claim against the Rent Trust for damages for an amount of RM0.39 mil. An interdict has been granted whereby the company is presented from alienating, disposing or otherwise encumbering more than 67.4% of its shareholding in Pasdec Automative Technologies until the court case are resolved.

## 12 Capital commitments

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

## 13 Review of performance

The Group recorded revenue of RM94.73 million for the year under review, representing an increase of 11% compared with the previous year’s corresponding year revenue of RM85.14 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** |  | **Preceding** |
|  | **Quarter** |  | **Quarter** |
|  | **31.12.2011** |  | 31.12.2010 |
|  | **RM’000** |  | RM’000 |
|  |  |  |  |
| **Turnover** | **25,503** |  | 27,286 |
| **(Loss)/profit before tax** | **(1,480)** |  | 2,379 |

During the quarter under review, the Group recorded a net loss before tax of RM1.48 mil compared with RM2.38 mill profit reported in the immediate preceding quarter mainly due to losses in the development sector.

## 15 Prospects for 2012

Barring any unforeseen circumstances, the Board expects the Group’s performance will remain favourable in 2012, following to the implementation of various government stimulus programmes that will benefit the Group’s activities notwithstanding the risks posed by expected volatile capital flows and inflation.

## 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****12 months ended** |
|  | **31.12.2011** | 31.12.2010 | **31.12.2011** | 31.12.2010 |
|  | **RM’000** | RM’000 | **RM’000** | RM’000 |
|  |  |  |  |  |
| Corporate/deferred tax |  |  |  |  |
| * current
 | **(247)** | 2,076 | **182** | 2,214 |
| * prior year over

provision | **(871)** | - | **(871)** | - |
| Real property gain tax | **-** | 137 | - | 137 |
|  | **(1,118)** | 2,213 | **(689)** | 2,351 |

Current tax was in respect of deferred tax asset recognised during the quarter.

## 18 Profit on sale of property, plant and equipment

During the year, a motor vehicle with a carrying value of RM13k had been sold for a profit of RM14k.

## 19 Corporate proposals

The Board of Directors wishes to announce that the company had on 1 December 2011 entered into a Joint Venture/Shareholders’ Agreement with Leadcom (M) Sdn Bhd to form a joint venture company for the purpose of designing, building, operating and maintaining a high end date centre in Pahang.

**20 Disposal of a subsidiary**

On 11 April 2011, the Company had disposed of a wholly-owned subsidiary, Kuantan Bricks Sdn Bhd (“KBSB”), which was previously reported in the manufacturing segment. The decision is consistent with the Group’s strategy to focus on its core property businesses and to divest its bricks manufacturing activities, which has been underperforming for the last five years.

**21 Disposal of a subsidiary (continued)**

## The disposal had the following effects on the financial position of the Group as at the end of the year:-

|  |  |  |
| --- | --- | --- |
|  | **2011** | 2010 |
| **Assets** | **RM’000** |  |
| Property, plant and equipment | **2,877** | 3,259 |
| Inventories | **418** | 281 |
| Trade and other receivables | **351** | 964 |
| Prepayments | **-** | 44 |
| Cash and bank balances | **5** | 36 |
| **Total** | **3,651** | 4,584 |
| **Liabilities** |  |  |
| Hire purchase | **74** | 203 |
| Trade and other payables | **7,885** | 8,169 |
| **Total** | **7,959** | 8,372 |
| **Net liability disposed** | **(4,308)** | (3,788) |
| Provision for doubtful debt | **6,972** |  |
| Total disposal proceeds | **(2,200)** |  |
| **Loss on disposal to the Group** | **(464)** |  |
|  |  |  |
| Disposal proceeds settled by: |  |  |
| Cash  | **320** |  |
| Deferred payment | **1,880** |  |
|  | **2,200** |  |
|  |  |  |

**22 Investment securities**

 As at 31 December 2011, the available-for-sale financial assets position is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As at 31.12.2011****RM’000** |  | As at 31.12.2010RM’000 |
|  | **Carrying amount** | **Market value of quoted investments** |  | Carrying amount | Market value of quoted investments |
|  |  |
|  |  |
|  |  |  |  |  |  |
| Shares quoted in Malaysia | **71,297** | **71,297** |  | 85,658 | 85,658 |
| Unit trusts quoted in  Malaysia | **485** | **485** |  | 478 | 478 |
|  | **71,782** | **71,782** |  | 86,136 | 86,136 |

There was no purchase or disposal of these securities during the quarter under review.

## 23 Group borrowings and debt securities

The Group exposures in borrowings are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As at 31.12.2011** |  | As at 31.12.2010 |
|  | **RM’000** |  | RM’000 |
| Short term borrowings |  |  |  |
|  - secured | **47,776** |  | 32,379 |
|  - unsecured | **1,031** |  | 800 |
| Total short term borrowings | **48,807** |  | 33,179 |
| Long term borrowings |  |  |  |
|  - secured | **66,397** |  | 56,043 |
|  - unsecured | **14,220** |  | 203 |
| Total long term borrowings | **80,617** |  | 56,246 |
| **Total borrowings** | **129,424** |  | 89,425 |

### 24 Other reserves

###  Effect on acquisition of subsidiary

### On 1 April 2011, the Group acquired RM10 mil ordinary shares representing 100% equity interest in Pahang Offshore Sdn Bhd for a total consideration of RM8, 855k. The effect of acquisition of RM59, 207k is reflected in the Group’s equity.

**b) Translation reserve**

The foreign currency exchange reserve represents the differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group’s presentation currency.

### 25 Off balance sheet financial instruments

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

### 26 Material litigation

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

### 27 Dividend

The dividend of RM4.12 mil recognised during the year was in respect of the financial year ended 31 December 2010, of 2% on 205,978,000 ordinary shares, amounting to RM4,119,560 (2 sen ordinary share).

28 Earnings/(loss) per share

|  |  |  |  |
| --- | --- | --- | --- |
|   | **INDIVIDUAL QUARTER****3 months ended** |  | **CUMULATIVE QUARTER****12 months ended** |
|  | **31.12.2011** | 31.12.2010 |  | **31.12.2011** | 31.12.2010 |
| **Basic earnings/(loss) per**  **per share** |  |  |  |  |  |
|  |  |  |  |  |
| Profit attributable to to owners of the parent RM’000 | **(384)** | (3,706) |  | **(516)** | 1,044 |
| Number of shares at the beginning of the period unit (‘000) | **205,978** | 205,978 |  | **205,978** | 205,978 |
| Basic earnings/(loss) per  share (sen) | **(0.19)** | (1.80) |  | **(0.25)** | 0.51 |

29 Realised and unrealised retained earnings disclosure

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Unaudited****31.12.2011** |  | Audited31.12.2010 |
| Realised |  |  | **(52,603)** |  | 59,110 |
| Unrealised |  |  | **12,732** |  | 2,814 |
|  |  |  | **(39,871)** |  | 61,924 |
| Share of retained earnings of associates |  |  |  |  |  |
| -Realised |  |  | **22,092** |  | 1,955 |
|  |  |  | **(17,779)** |  | 63,879 |
| Add: Consolidation adjustment |  |  | **51,973** |  | 34,158 |
| Retained earnings c/f |  |  | **34,194** |  | 98,037 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |