

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

Interim Financial Statements
31 March 2012

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income
for the period ended 31 March 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	30,817	17,463	30,817	17,463
Cost of sales	(23,171)	(11,381)	(23,171)	(11,381)
Gross profit	7,646	6,082	7,646	6,082
Other items of income				
Other income	11,286	87	11,286	87
Finance income	138	61	138	61
Other items of expense				
Administrative expenses	(3,616)	(2,373)	(3,616)	(2,373)
Other expenses	(3,703)	(2,285)	(3,703)	(2,285)
Finance costs	(1,787)	(1,453)	(1,787)	(1,453)
Share of profit of associates	80	71	80	71
Profit before tax	10,044	190	10,044	190
Income tax expense (Note 18)	(362)	(1,028)	(362)	(1,028)
Profit/(loss) net of tax	9,682	(838)	9,682	(838)

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income
for the period ended 31 March 2012 (continued)**

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Other comprehensive income				
Net gain on available-for-sale financial assets				
-Profit on fair value changes	10,543	1,236	10,543	1,236
-Transfer to profit and loss upon disposal	(11,180)	-	(11,180)	-
-Foreign currency translation	587	-	587	-
Other comprehensive income, net of tax	(50)	1,236	(50)	1,236
Total comprehensive income for the period, net of tax	9,632	398	9,632	398
Profit/(loss) attributable to:				
Owners of the parent	9,510	(838)	9,510	(838)
Non-controlling interests	172	-	172	-
	9,682	(838)	9,682	(838)
Total comprehensive income attributable to:				
Owners of the parent	9,731	398	9,731	398
Non-controlling interests	(99)	-	(99)	-
	9,632	398	9,632	398
Earnings/(loss) per share attributable to owners of the Company (Note 28)				
Basic (sen)	4.62	(0.41)	4.62	(0.41)
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 2011 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 2012

	Note	Unaudited 31.03.2012 RM'000	Audited 31.12.2011 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		15,646	15,745
Land held for property development		142,154	141,194
Investment properties		19,753	10,049
Investments in associates		20,437	20,082
Investment securities	21	54,439	63,377
Deferred tax assets		11,061	11,008
Intangible assets		35,732	35,732
		<u>299,222</u>	<u>297,187</u>
Current Assets			
Property development costs		90,049	89,511
Inventories		62,160	77,371
Trade receivables		48,139	42,184
Other receivables		19,912	18,601
Tax recoverable		5,036	4,218
Cash and bank balances		27,751	33,002
		<u>253,047</u>	<u>264,887</u>
TOTAL ASSETS		<u>552,269</u>	<u>562,074</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Retirement benefit obligations		61	316
Loans and borrowings	22	46,643	43,238
Trade payables		22,889	27,950
Other payables		38,859	45,713
Tax payable		247	840
		<u>108,699</u>	<u>118,057</u>
NET CURRENT ASSETS		<u>144,348</u>	<u>146,830</u>

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Financial Position
as at 31 March 2012 (continued)**

	Unaudited 31.03.2012 RM'000	Audited 31.12.2011 RM'000
Non Current Liabilities		
Retirement benefit obligations	3,843	3,585
Loans and borrowings	22 64,269	73,432
	68,112	77,017
TOTAL LIABILITIES	176,811	195,074
Equity attributable to owners of the parent		
Share capital	205,978	205,978
Share premium	43,008	43,008
Other reserves	23 21,768	22,721
Retained earnings	102,908	93,398
	373,662	365,105
Non-controlling interest	1,796	1,895
TOTAL EQUITY	375,458	367,000
TOTAL EQUITY AND LIABILITIES	552,269	562,074
Net assets per share (RM)	1.82	1.78

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 2011 and the accompanying explanatory notes attached to the interim financial statement

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2012

	Attributable to owners of the parent						Non Distributable			
	Total equity RM'000	Non Distributable		Distributable		Total other reserves RM'000	Non Distributable			Non-controlling interest RM'000
Total equity attributable to owners of the parent RM'000		Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Fair value change reserve RM'000		Premium paid on acquisition of non-controlling interest RM'000	Foreign currency exchange reserve RM'000		
1 Jan 2012	367,000	365,105	205,978	43,008	93,398	22,721	35,207	(9,898)	(2,588)	1,895
Total comprehensive income	8,458	8,557	-	-	9,510	(953)	(637)	-	(316)	(99)
31 March 2012	375,458	373,662	205,978	43,008	102,908	21,768	34,570	(9,898)	(2,904)	1,796

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 2011 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 2012 (continued)

	-----Attributable to owners of the parent-----							-----Non Distributable-----			Non- controlling interest RM'000
	---Non Distributable---		Distributable		---Non Distributable---			Fair value change reserve RM'000	Premium paid on acquisition of non- interest RM'000	Foreign currency exchange reserve RM'000	
	Total equity attributable to owners	Total equity of the parent RM'000	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total other reserves RM'000					
1 Jan 2011	384,198	384,198	205,978	43,008	98,037	37,175	47,073	(9,898)	-	-	
Total comprehensive income	398	398	-	-	(838)	1,236	1,236	-	-	-	
31 March 2011	384,596	384,596	205,978	43,008	97,199	38,411	48,309	(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 2011 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Cash Flow for the period ended 31 March 2012

	CUMULATIVE QUARTER	
	31.3.2012	31.03.2011
	RM'000	RM'000
Operating activities		
Profit before taxation	10,044	190
<u>Adjustments for :-</u>		
Depreciation of property, plant and equipment	266	181
Depreciation of investment properties	52	42
Share of profit of associates	(80)	(71)
Interest expense	716	433
Interest income	-	(61)
Dividend income	(649)	(800)
Profit on disposal of investment	(11,180)	-
Total adjustments	(10,875)	(276)
Operating cash flows before changes in working capital	(831)	(86)

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flow for the period ended 31 March 2012 (continued)

	CUMULATIVE QUARTER	
	31.03.2012	31.03.2011
	RM'000	RM'000
Operating cash flows before changes in working capital	(831)	(86)
<u>Changes in working capital</u>		
Increase in receivables	(6,341)	(5,711)
Decrease in inventories	15,211	568
(Increase)/decrease in land held for development	(4,653)	3,914
Decrease/(increase) in property development costs	3,156	(8,120)
(Decrease)/increase in payables	(12,614)	15,893
Total changes in working capital	(5,241)	6,544
Interest paid	(2,347)	(433)
Taxes paid	(960)	(390)
Retirement benefits paid	-	(196)
Net cash flows (used in)/from operating activities	(9,379)	5,439
Investing activities		
Proceeds from disposal of investment	19,500	-
Purchase of property, plant and equipment	(9,869)	-
Proceeds from disposal of land	-	116
Interest received	135	61
Dividends received	649	841
Dividends paid	-	(7,000)
Net cash flows from/(used in) investing activities	10,415	(5,982)

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flow for the period ended 31 March 2012 (continued)

	CUMULATIVE QUARTER	
	31.03.2012	31.03.2011
	RM'000	RM'000
Financing activities		
Proceeds from term loans	405	830
Repayment of loans	(1,315)	(2,459)
Repayment of REBs	(7,000)	-
Net cash used in financing activities	(7,910)	(1,629)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,874)	(2,172)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	(1,107)	3,678
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	(7,981)	1,506
Represented by:		
Cash and bank balances	27,751	21,329
Bank overdrafts (included in short term borrowings in Note 22)	(35,732)	(19,823)
	(7,981)	1,506

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 2011 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 2011. 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 2011.

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 2011, except for the mandatory adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial year beginning on 1 January 2012.

FRSs, Amendments to FRSs and IC Interpretations

Description	Effective date
Amendments FRS 1: Severe Hyperinflation and Removal of Fixed Assets dates for first-time adopters	1 January 2011
Amendments to FRS 7: Disclosures – Transfer of Financial Assets	1 January 2011
Amendments to FRS 112: Deferred Tax – Recovery of Underlying Assets	1 January 2011
FRS 124: Related party disclosures	1 January 2011
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
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2011

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

2 Changes in Accounting Policies (continued)

Description	Effective date
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 117 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7: Disclosures- Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Disclosures- Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 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.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

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 RM7.0 mil Rainbow Exchangeable Bonds ('REBs') as tabulated in note 17 of this report.

8 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment conducted during the quarter 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	
	3 MONTHS ENDED	
	31.3.2012	31.3.2011
	RM'000	RM'000
Segment revenue		
Investment holding	4,215	4,324
Property development	12,739	13,115
Construction	1,090	2,785
Trading in building materials	3	474
Manufacturing	16,220	183
Others	-	259
	34,267	21,140
Elimination	(3,450)	(3,677)
Revenue	30,817	17,463
Segment results		
Investment holding	5,859	6,678
Property development	11,888	1,282
Construction	75	(274)
Trading in building materials	85	(647)
Manufacturing	772	(198)
Others	(49)	106
Total	18,630	6,947
Elimination	(6,879)	(5,375)
Sub Total	11,751	1,572
Finance costs	(1,787)	(1,453)
Share of profit from associates	80	71
Profit before taxation	10,044	190

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

10 Changes in the composition of the Group

Pursuant to the Joint Venture/Shareholders' Agreement dated 1 December 2011 for the formation of a joint venture company for the purpose of designing, building, operating and maintaining a high end Data Centre in Pahang, the Group subscribed to 1 ordinary share representing 50% shareholding in Pasdec Technology Centre & Services Sdn. Bhd. ("the JV Company") on 7 February 2012.

11 Legal claims

Pasdec Resources S.A. Ltd (PRSA) is defending a claim by a former director of a subsidiary company for 20% of profits earned in Pasdec Automative Technologies (Pty) Ltd (PAT) between 1998 and 2003, plus 5 times of average profits of 2001 and 2003, plus interest.

The Group has been advised by its legal counsel that it is probable that the said action will succeed and accordingly provided for damages of ZAR2 million in the financial statements.

An interdict has been granted whereby the Company is prevented from alienating, disposing or otherwise encumbering more than 67.4% of its shareholding in PAT until the court case is resolved.

12 Capital commitments

The Group did not have any capital commitment for the financial statements as at 31 March 2012.

13 Review of performance

The Group's revenue for the quarter under review was RM30.82 million 76% higher than the previous corresponding quarter revenue of RM17.46 million. The increase was mainly attributable to the contribution of revenue by a subsidiary in South Africa.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

14 Review of current quarter profitability against preceding quarter

	Current Quarter 31.3.2012 RM'000	Preceding Quarter 31.12.2011 RM'000
Turnover	30,817	17,463
Profit/(loss) before tax	10,044	(838)

During the quarter under review, the Group recorded a profit before tax of RM10.04 million compared with RM0.84 million loss reported in the immediate preceding quarter attributable to profit on disposal of investment of RM11.18 million.

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 2012.

16 Profit forecast and profit guarantee

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

17 Disposal and exchange of investment securities

During the quarter under review, the following disposal and exchange of marketable securities were made:-

Particulars	RM'000 Proceeds	RM'000 Carrying value of shares	RM'000 Total Profit
Disposal of shares	12,500	(4,527)	7,973
Amount of REBs exchanged	7,000	(3,793)	3,207
Total	19,500	(8,320)	11,180

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

18 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Corporate tax	362	1,028	362	1,028
	362	1,028	362	1,028

The effective tax rate for the quarter was lower than the statutory tax rate as the Group has tax losses of approximately RM3.19 mil to offset against taxable profit of the Company.

19 Sale of property, plant and equipment

There was no sale of property, plant and equipment during the quarter under review.

20 Corporate proposals

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

21 Investment securities

As at 31 March 2012, the available-for-sale financial assets position is as follows:

	As at 31.3.2012 RM'000		As at 31.03.2011 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Shares quoted in Malaysia	53,927	53,927	71,297	71,297
Unit trusts quoted in Malaysia	512	512	485	485
	54,439	54,439	71,782	71,782

There was no purchase of securities during the quarter under review and the disposal

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

and exchange of the quoted shares are in note 17 above.

22 Group borrowings and debt securities

The Group's exposure in borrowings is as follows:

	As at 31.03.2012 RM'000	As at 31.03.2011 RM'000
Short term borrowings		
- secured	45,357	31,599
- unsecured	1,286	934
Total short term borrowings	46,643	32,533
Long term borrowings		
- secured	50,070	57,633
- unsecured	14,199	231
Total long term borrowings	64,269	57,864
Total borrowings	110,912	90,397

23 Other reserves

a) Foreign currency exchange 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.

b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

c) Premium paid on acquisition of non-controlling interest

On the acquisition of non-controlling interest in the existing subsidiary, the difference between the consideration and fair value of the interest acquired of RM9.9 million was reflected in equity as premium paid on acquisition of non-controlling interest.

24 Off balance sheet financial instruments

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

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

25 Material litigation

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

26 Dividend

No dividend was declared during the quarter under review.

27 Earnings/ (loss) per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Basic earnings/(loss) per per share				
Profit attributable to to owners of the parent RM'000	9,510	(838)	9,510	(838)
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)	4.62	(0.41)	4.62	(0.41)

28 Realised and unrealised retained earnings disclosure

	Unaudited 31.03.2012	Audited 31.03.2011
Realised	45,735	36,489
Unrealised	9,960	10,225
	55,695	46,714
Share of retained earnings of associates		
-Realised	2,447	2,092
	58,142	48,806
Less:		
Consolidation adjustment	44,766	(44,592)
Retained earnings c/f	102,908	93,398