

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

**Interim Financial Statements
as at 30 September 2013**

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income
for the period ended 30 September 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	32,826	46,177	101,375	106,926
Cost of sales	(30,303)	(26,416)	(81,886)	(74,857)
Gross profit	2,523	19,761	19,489	32,069
Other items of income				
Other income	37,730	1,017	43,697	15,929
Finance income	333	105	1,101	301
Other items of expense				
Administrative expenses	(5,299)	(3,789)	(13,946)	(11,033)
Other expenses	(3,712)	(11,522)	(13,148)	(21,957)
Finance costs				
-current	(1,515)	(1,232)	(4,530)	(4,469)
-reversal of prior year	-	-	375	29
Share of (loss)/profit of associates	(489)	825	(371)	767
Profit before tax	29,571	5,165	32,667	11,636
Taxation (Note 18)	2,615	(4,044)	(103)	(5,230)
Profit net of tax	32,186	1,121	32,564	6,406

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statements of Comprehensive Income
for the period ended 30 September 2013 (continued)**

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Other comprehensive income/(loss)				
Net gain on available-for sale financial assets				
-Profit/(loss) on fair value changes	3,394	-	26	(8,546)
-Transfer to profit and loss upon disposal	(37,351)	-	(37,351)	13,930
-Foreign currency translation loss	(2,436)	(1,753)	(3,944)	(2,446)
Other comprehensive (loss)/income, net of tax	(36,393)	(1,753)	(41,269)	2,938
Total comprehensive (loss)/income for the period, net of tax	(4,207)	(632)	(8,705)	9,344
(Loss)/profit attributable to:				
Owners of the parent	32,543	887	32,603	5,832
Non-controlling interests	(357)	234	(39)	574
	32,186	1,121	32,564	6,406
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(2,747)	181	(6,939)	10,143
Non-controlling interests	(1,460)	(813)	(1,766)	(799)
	(4,207)	(632)	(8,705)	9,344
(Loss)/earnings per share attributable to owners of the Company (Note 28)				
Basic (sen)	15.80	0.43	15.83	2.83
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 2012 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 2013

	Note	Unaudited 30.09.2013 RM'000	Audited 31.12.2012 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		17,503	15,133
Land held for property development		126,041	100,675
Investment properties		8,897	9,815
Investments in associates		21,202	19,467
Investment securities	21	574	54,265
Deferred tax assets		6,665	7,471
Intangible assets		15,648	15,648
		<u>196,530</u>	<u>222,474</u>
Current Assets			
Property development costs		157,480	136,809
Inventories		69,067	73,482
Trade receivables		54,488	54,539
Other receivables		14,721	23,461
Tax recoverable		4,629	1,683
Cash and bank balances		25,765	24,087
		<u>326,150</u>	<u>314,061</u>
TOTAL ASSETS		<u>522,680</u>	<u>536,535</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Retirement benefit obligations		552	275
Loans and borrowings	22	34,303	68,514
Trade payables		38,555	27,649
Other payables		33,500	35,069
Tax payable		597	1,984
		<u>107,507</u>	<u>133,491</u>
NET CURRENT ASSETS		<u>218,643</u>	<u>180,570</u>

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**Condensed Consolidated Statements of Financial Position
as at 30 September 2013 (continued)**

		Unaudited 30.09.2013 RM'000	Audited 31.12.2012 RM'000
Non Current Liabilities			
Retirement benefit obligations		3,933	3,894
Loans and borrowings	22	47,523	24,665
Other payable		3,703	4,040
		55,159	32,599
TOTAL LIABILITIES		162,666	166,090
Equity attributable to owners of the parent			
Share capital		205,978	205,978
Share premium		43,008	43,008
Other reserves	24	(18,972)	22,296
Retained earnings		130,485	97,882
		360,499	369,164
Non-controlling interest		(485)	1,281
TOTAL EQUITY		360,014	370,445
TOTAL EQUITY AND LIABILITIES		522,680	536,535
Net assets per share (RM)		1.75	1.80

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 2012 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 2013

	Attributable to owners of the parent						Non Distributable			
	Total Equity RM'000	Total equity attributable to owners of the parent RM'000		Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total other reserves 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 2013		370,446	369,165							
Comprehensive income	32,564	32,603	-	-	32,603	-	-	-	-	(39)
Other comprehensive loss	(42,996)	(41,269)	-	-	-	(41,269)	(37,325)	-	(3,944)	(1,727)
Total comprehensive income	(10,432)	(8,666)	-	-	32,603	(41,269)	(37,325)	-	(3,944)	(1,766)
30 Sept 2013	360,014	360,499	205,978	43,008	130,485	(18,972)	125	(9,898)	(9,199)	(485)

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 2012 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 2013 (continued)

	-----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	
1 Jan 2012	367,000	365,105	205,978	43,008	93,398	22,721	35,207	(9,898)	(2,588)	1,895
Comprehensive income	6,406	5,832	-	-	5,832	-	-	-	-	574
Other comprehensive income/(loss)	1,565	2,938	-	-	-	2,938	5,384	-	(2,446)	(1,373)
Total comprehensive income	7,971	8,770	-	-	5,832	2,938	5,384	-	(2,466)	(799)
Transaction with owner										
Dividend	(1,732)	-	-	-	-	-	-	-	-	(1,732)
30 Sept 2012	373,239	373,875	205,978	43,008	99,230	25,659	40,591	(9,898)	(5,034)	(636)

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statements of Cash Flow
for the period ended 30 September 2013**

	CUMULATIVE QUARTER	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	102,958	124,675
Cash payments to suppliers and contractors	(83,472)	(112,695)
Cash payments for land and development costs	(36,511)	-
Cash payments to employees and for expenses	(39,608)	(30,768)
Cash used in from operations	(56,633)	(18,788)
Net income tax paid	(4,072)	(2,359)
Interest received	160	533
Net cash used in operating activities	(60,545)	(20,614)
Cash flows from investing activities		
Proceeds from disposal of investment	51,484	25,500
Purchase of property, plant and equipment	(3,891)	(1,049)
Proceed from sale of property, plant and equipment	915	1,523
Interest received	104	229
Dividends received	-	1,447
Net cash generated from investing activities	48,612	27,650

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Cash Flow
for the period ended 30 September 2013 (continued)**

	CUMULATIVE QUARTER	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash flows from financing activities		
Proceeds from term loans	33,068	1,435
Repayment of term loans	(5,256)	(9,951)
Interest paid	(5,126)	(2,109)
Dividend paid	-	(1,732)
Repayment of obligations under finance leases	(26)	(92)
Repayment of REBs	(4,000)	(13,000)
Net cash generated from/(used in) financing activities	18,660	(25,449)
Net decrease in cash and cash equivalents	6,727	(18,413)
Cash and cash equivalents at beginning of period	(8,728)	(1,107)
Cash and cash equivalents at end of period	(2,001)	(19,520)
Represented by:		
Cash and bank balances	25,765	15,097
Bank overdrafts (in short term borrowings , Note 22)	(27,766)	(34,617)
	(2,001)	(19,520)

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 2012 and the accompanying explanatory notes attached to the interim financial statement.

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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 2012. 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 2012.

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 2012, 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 financial year of the Group beginning on 1 July 2012.

FRSs, Amendments to FRSs and IC Interpretations

Description	Effective date
Amendments FRS 101: Presentation of items of Other Comprehensive Income	1 July 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
FRS 10: Consolidated Financial Statement	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurements	1 January 2013
FRS 127 ²⁰¹¹ : Separate Financial Statements	1 January 2013
FRS 128 ²⁰¹¹ : Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

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2 Changes in Accounting Policies (continued)

Description	Effective date
Amendments to FRSs ` Improvement to FRSs (2012)	1 January 2013
The adoption of the above new/revised/amendment to FRSs is not expected to have any significant impact to the Group.	

Malaysian Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standard Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called ‘Transitioning Entities’).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities is mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group is required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014.

In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively, against retained earnings.

3 Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2012 was not qualified.

4 Seasonal or cyclical factors

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

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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 materials changes in estimates of amounts reported in prior financial years that have 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 quarter for the Group.

9 Segmental information

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

	CUMULATIVE QUARTER 9 MONTHS ENDED	
	30.09.2013 RM'000	30.09.2012 RM'000
Segment revenue		
Investment holding	9,010	9,019
Property development	46,783	58,847
Construction	7,770	6,121
Trading in building materials	-	3
Manufacturing	44,480	46,574
Others	3,805	978
	111,848	121,542
Elimination	(10,473)	(14,616)
Revenue	101,375	106,926

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9 Segmental information (continued)

Segment results

Investment holding	2,619	17,505
Property development	42,606	31,181
Construction	(3,114)	(550)
Trading in building materials	5	242
Manufacturing	(877)	(8,801)
Others	(333)	446
Total	40,906	40,023
Elimination	(3,713)	(24,714)
Sub Total	37,193	15,309
Finance costs		
-current	(4,530)	(4,469)
-reversal of prior year provision	375	29
Share of loss from associates	(371)	767
Profit before tax	32,667	11,636

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 changes in the contingent liabilities as at the date of this announcement since the preceding year ended 31 December 2012.

12 Capital commitments of the Group

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	74,468	74,468

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13 Review of current quarter profitability against preceding quarter

	Current Quarter 30.09.2013 RM'000	Preceding Quarter 30.06.2013 RM'000
Turnover	32,826	38,839
Profit/(loss) before tax	<u>29,571</u>	<u>(283)</u>

During the quarter under review, the Group recorded a profit before tax of RM29.57 million compared with a loss of RM283,000 reported in the immediate preceding quarter mainly due to gain on disposal of shares of RM35.2 million (included in other income).

14 Review of performance

The Group's revenue of RM101.4 million and gross profit of RM19.49 million for the period under review was mainly contributed by property development and manufacturing activities.

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 2013.

16 Profit forecast and profit guarantee

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

17 Disposal of investment securities

During the quarter under review there had been a disposal of investment securities as follows (included in other income):

Particulars	Proceed RM'000	Cost RM'000	Gain RM'000
YTL Corporation Bhd (30,331,005 units @ RM1.70 per unit)	<u>51,484</u>	<u>16,288</u>	<u>35,196</u>

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18 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended 30.09.2013	30.09.2012	9 months ended 30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
-Current	(1,291)	3,704	974	4,278
-Overprovision in prior year	(1,324)	-	(921)	-
Foreign income tax		340	50	952
	(2,615)	4,044	103	5,230

19 Sale of property, plant and equipment (assets)

9 units of apartment had been disposed during the period under review for RM1.30 million with RM559,000 profit (included in other income).

20 Corporate proposals

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

21 Investment securities

As at 30 September 2013, the available-for-sale financial assets position is as follows:

	As at 30.09.2013 RM'000		As at 30.09.2012 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Shares quoted in Malaysia	13	13	56,876	56,876
Unit trusts quoted in Malaysia	112	112	523	523
	125	125	57,399	57,399

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22 Group borrowings and debt securities

The Group's exposure in borrowings is as follows:

	As at 30.09.2013 RM'000	As at 30.09.2012 RM'000
Current loans and borrowings		
- secured	34,303	42,976
Non - current loans and borrowings		
- secured	47,523	52,595
Total loans and borrowings	81,826	95,571

23 Derivative financial instrument

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Derivative liability	-	3,894

The derivative liability arose from REBs which had been settled during the period under review.

24 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.

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24 Other reserves (continued)

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 on non-controlling interest.

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

No dividend was declared during the quarter under review.

28 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Basic earnings per share				
Profit attributable to owners of the parent RM'000	32,543	887	32,603	5,832
Number of shares at the beginning of the period unit ('000)	205,978	205,978	205,978	205,978
Basic earnings per share (sen)	15.80	0.43	15.83	2.83

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29 Realised and unrealised retained earnings disclosure

	Unaudited 30.09.2013 RM'000	Audited 31.12.2012 RM'000
Realised	68,485	3,709
Unrealised	10,771	7,471
	79,256	11,180
Share of retained earnings of associates		
-Realised	2,245	2,862
	81,501	14,042
Less:		
Consolidation adjustments	48,984	(83,840)
Retained earnings c/f	130,485	97,882

30 Comparative figures

Certain comparative figures have been reclassified to conform to current year presentations.