

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

**Financial Statements**  
**as at 31 December 2013**

**PASDEC HOLDINGS BERHAD**

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013**

|                                      | <b>INDIVIDUAL QUARTER</b> |            | <b>CUMULATIVE QUARTER</b> |            |
|--------------------------------------|---------------------------|------------|---------------------------|------------|
|                                      | <b>3 months ended</b>     |            | <b>12 months ended</b>    |            |
|                                      | <b>31.12.2013</b>         | 31.12.2012 | <b>31.12.2013</b>         | 31.12.2012 |
|                                      | <b>RM'000</b>             | RM'000     | <b>RM'000</b>             | RM'000     |
| Revenue                              | <b>31,416</b>             | 55,048     | <b>132,791</b>            | 161,974    |
| Cost of sales                        | <b>(27,287)</b>           | (19,035)   | <b>(109,173)</b>          | (93,892)   |
| <b>Gross profit</b>                  | <b>4,129</b>              | 36,013     | <b>23,618</b>             | 68,082     |
| <b>Other items of income</b>         |                           |            |                           |            |
| Other income                         | <b>2,044</b>              | 6,866      | <b>45,741</b>             | 22,795     |
| Finance income                       | <b>1,553</b>              | 493        | <b>2,654</b>              | 794        |
| <b>Other items of expense</b>        |                           |            |                           |            |
| Administrative expenses              | <b>(4,163)</b>            | (9,283)    | <b>(18,109)</b>           | (20,316)   |
| Other expenses                       | <b>(20,684)</b>           | (24,224)   | <b>(33,832)</b>           | (46,181)   |
| Finance costs                        |                           |            |                           |            |
| -current                             | <b>(1,841)</b>            | (2,350)    | <b>(6,371)</b>            | (6,819)    |
| -reversal of prior year              | <b>(308)</b>              | -          | <b>67</b>                 | 29         |
| Share of profit/(loss) of associates | <b>288</b>                | 2          | <b>(83)</b>               | 769        |
| <b>(Loss)/profit before tax</b>      | <b>(18,982)</b>           | 7,517      | <b>13,685</b>             | 19,153     |
| Taxation (Note 18)                   | <b>(745)</b>              | (3,865)    | <b>(848)</b>              | (9,095)    |
| <b>(Loss)/profit net of tax</b>      | <b>(19,727)</b>           | 3,652      | <b>12,837</b>             | 10,058     |

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 financial statements.

**PASDEC HOLDINGS BERHAD**

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**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013 (continued)**

|  | INDIVIDUAL QUARTER<br>3 months ended |                      | CUMULATIVE QUARTER<br>12 months ended |                      |
|--|--------------------------------------|----------------------|---------------------------------------|----------------------|
|  | 31.12.2013<br>RM'000                 | 31.12.2012<br>RM'000 | 31.12.2013<br>RM'000                  | 31.12.2012<br>RM'000 |
| <b>Other comprehensive (loss)/income</b>   |                                      |                      |                                       |                      |
| Net gain on available-for sale financial assets                                  |                                      |                      |                                       |                      |
| -(Loss)/gain on fair value changes   | <b>(3,353)</b>                       | 25,065               | <b>(3,327)</b>                        | 16,519               |
| -Transfer to profit and loss upon disposal                                       | <b>3,368</b>                         | (28,207)             | <b>(33,983)</b>                       | (14,277)             |
| -Foreign currency translation loss   | <b>1,264</b>                         | (409)                | <b>(2,680)</b>                        | (2,855)              |
| <b>Other comprehensive Income/(loss), net of tax</b>                             | <b>1,279</b>                         | (3,551)              | <b>(39,990)</b>                       | (613)                |
| <b>Total comprehensive (loss)/income for the period, net of tax</b>              | <b>(18,448)</b>                      | 101                  | <b>(27,153)</b>                       | 9,445                |
| <b>(Loss)/profit attributable to:</b>  |                                      |                      |                                       |                      |
| Owners of the parent   | <b>(20,400)</b>                      | 2,925                | <b>12,203</b>                         | 8,757                |
| Non-controlling interests  | <b>673</b>                           | 727                  | <b>634</b>                            | 1,301                |
|  | <b>(19,727)</b>                      | 3,652                | <b>12,837</b>                         | 10,058               |
| <b>Total comprehensive (loss)/income attributable to:</b>                        |                                      |                      |                                       |                      |
| Owners of the parent   | <b>(19,462)</b>                      | (1,811)              | <b>(26,401)</b>                       | 8,332                |
| Non-controlling interests  | <b>1,014</b>                         | 1,912                | <b>(752)</b>                          | 1,113                |
|  | <b>(18,448)</b>                      | 101                  | <b>(27,153)</b>                       | 9,445                |
| <b>(Loss)/earnings per share attributable to owners of the Company (Note 27)</b> |                                      |                      |                                       |                      |
| Basic (sen)  | <b>(9.91)</b>                        | 1.42                 | <b>5.92</b>                           | 4.25                 |
| 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 financial statements.

# PASDEC HOLDINGS BERHAD

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## Condensed Consolidated Statements of Financial Position as at 31 December 2013

|                                    | Note | Unaudited<br>31.12.2013<br>RM'000 | Audited<br>31.12.2012<br>RM'000 |
|------------------------------------|------|-----------------------------------|---------------------------------|
| <b>ASSETS</b>                      |      |                                   |                                 |
| <b>Non Current Assets</b>          |      |                                   |                                 |
| Property, plant and equipment      |      | 20,164                            | 15,133                          |
| Land held for property development |      | 138,930                           | 100,675                         |
| Investment properties              |      | 8,681                             | 9,815                           |
| Investments in associates          |      | 20,978                            | 19,467                          |
| Investment securities              | 21   | 589                               | 54,265                          |
| Deferred tax assets                |      | 6,057                             | 7,471                           |
| Intangible assets                  |      | -                                 | 15,648                          |
|                                    |      | <u>195,399</u>                    | <u>222,474</u>                  |
| <b>Current Assets</b>              |      |                                   |                                 |
| Property development costs         |      | 156,487                           | 136,809                         |
| Inventories                        |      | 70,067                            | 73,482                          |
| Trade receivables                  |      | 58,628                            | 54,539                          |
| Other receivables                  |      | 9,594                             | 23,461                          |
| Tax recoverable                    |      | 5,431                             | 1,683                           |
| Cash and bank balances             |      | 17,592                            | 24,087                          |
|                                    |      | <u>317,799</u>                    | <u>314,061</u>                  |
| <b>TOTAL ASSETS</b>                |      | <u>513,198</u>                    | <u>536,535</u>                  |
| <b>EQUITY AND LIABILITIES</b>      |      |                                   |                                 |
| <b>Current Liabilities</b>         |      |                                   |                                 |
| Retirement benefit obligations     |      | 552                               | 275                             |
| Loans and borrowings               | 22   | 43,705                            | 68,514                          |
| Trade payables                     |      | 36,693                            | 27,649                          |
| Other payables                     |      | 28,161                            | 35,069                          |
| Tax payable                        |      | 760                               | 1,984                           |
|                                    |      | <u>109,871</u>                    | <u>133,491</u>                  |
| <b>NET CURRENT ASSETS</b>          |      | <u>207,929</u>                    | <u>180,570</u>                  |

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## Condensed Consolidated Statements of Financial Position as at 31 December 2013 (continued)

|  |    | <b>Unaudited<br/>31.12.2013<br/>RM'000</b> | Audited<br>31.12.2012<br>RM'000 |
|--|----|--|---------------------------------|
| <b>Non Current Liabilities</b>                     |    |  |                                 |
| Retirement benefit obligations                     |    | <b>4,863</b>                               | 3,894                           |
| Loans and borrowings                               | 22 | <b>51,938</b>                              | 24,665                          |
| Other payable                                      |    | <b>3,184</b>                               | 4,040                           |
|  |    | <b>59,985</b>                              | 32,599                          |
| <b>TOTAL LIABILITIES</b>                           |    | <b>169,857</b>                             | 166,090                         |
| <b>Equity attributable to owners of the parent</b> |    |  |                                 |
| Share capital                                      |    | <b>205,978</b>                             | 205,978                         |
| Share premium                                      |    | <b>43,008</b>                              | 43,008                          |
| Other reserves                                     | 24 | <b>(16,308)</b>                            | 22,296                          |
| Retained earnings                                  |    | <b>110,085</b>                             | 97,882                          |
|  |    | <b>342,763</b>                             | 369,164                         |
| Non-controlling interest                           |    | <b>578</b>                                 | 1,281                           |
| <b>TOTAL EQUITY</b>                                |    | <b>343,341</b>                             | 370,445                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |    | <b>513,198</b>                             | 536,535                         |

|                           |             |      |
|---------------------------|-------------|------|
| Net assets per share (RM) | <b>1.67</b> | 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 financial statements.

# PASDEC HOLDINGS BERHAD

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## Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2013

|                                     | Attributable to owners of the parent |  |                |                            |                            |                                | Non-Distributable                    |  |   |  |
|-------------------------------------|--------------------------------------|--|----------------|----------------------------|----------------------------|--------------------------------|--------------------------------------|--|---|--|
|                                     | Total<br>Equity<br>RM'000            | Total<br>equity<br>attributable<br>to owners<br>of the<br>parent<br>RM'000 |                | Share<br>capital<br>RM'000 | Share<br>premium<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>other<br>reserves<br>RM'000 | Fair<br>value<br>change<br>reserve<br>RM'000 | Premium<br>paid on<br>acquisition<br>of non-<br>controlling<br>interest<br>RM'000 | Foreign<br>currency<br>exchange<br>reserve<br>RM'000 |
| <b>1 Jan 2013</b>                   |                                      | <b>370,445</b>   | <b>369,164</b> |                            |                            |                                |                                      |  |   |  |
| Comprehensive income                | 12,837                               | 12,203   | -              | -                          | 12,203                     | -                              | -                                    | -  | -   | 634  |
| Other comprehensive loss            | (39,990)                             | (38,604)   | -              | -                          | -                          | (38,604)                       | (37,310)                             | -  | (1,294)   | (1,386)  |
| <b>Total comprehensive income</b>   | <b>(27,153)</b>                      | <b>(26,401)</b>  | <b>-</b>       | <b>-</b>                   | <b>12,203</b>              | <b>(38,604)</b>                | <b>(37,310)</b>                      | <b>-</b>                                     | <b>(1,294)</b>  | <b>(752)</b>   |
| <b>Transaction with owner</b>       |                                      |  |                |                            |                            |                                |                                      |  |   |  |
| Increase in share capital (Note 10) | 49                                   | -  | -              | -                          | -                          | -                              | -                                    | -  | -   | 49   |
| <b>31 Dec 2013</b>                  | <b>343,341</b>                       | <b>342,763</b>   | <b>205,978</b> | <b>43,008</b>              | <b>110,085</b>             | <b>(16,308)</b>                | <b>139</b>                           | <b>(9,898)</b>                               | <b>(6,549)</b>  | <b>578</b>   |

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 financial statements.

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## Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2013 (continued)

|                                   | -----Attributable to owners of the parent----- |                      |                      |                          |                             |                                  |  | -----Non Distributable-----              |                                 |              |
|-----------------------------------|--|----------------------|----------------------|--------------------------|-----------------------------|----------------------------------|--|--|---------------------------------|--------------|
|                                   | Total equity RM'000                            | Non Distributable    | Distributable        |                          | Distributable               |                                  | Non Distributable  | Non Distributable                        |                                 |              |
|                                   | Total equity 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 | Non-controlling interest RM'000 |              |
| <b>1 Jan 2012</b>                 | <b>362,727</b>                                 | <b>360,832</b>       | <b>205,978</b>       | <b>43,008</b>            | <b>89,125</b>               | <b>22,721</b>                    | <b>35,207</b>  | <b>(9,898)</b>                           | <b>(2,588)</b>                  | <b>1,895</b> |
| Comprehensive income              | 10,058   | 8,757                | -                    | -                        | 8,757                       | -                                | -  | -  | -                               | 1,301        |
| Other comprehensive (loss)/income | (613)  | (425)                | -                    | -                        | -                           | (425)                            | 2,242  | -  | (2,667)                         | (188)        |
| <b>Total comprehensive income</b> | <b>9,445</b>                                   | <b>8,332</b>         | <b>-</b>             | <b>-</b>                 | <b>8,757</b>                | <b>(425)</b>                     | <b>2,242</b>   | <b>-</b>                                 | <b>(2,667)</b>                  | <b>1,113</b> |
| <b>Transaction with owner</b>     |  |                      |                      |                          |                             |                                  |  |  |                                 |              |
| Dividend                          | (1,727)  | -                    | -                    | -                        | -                           | -                                | -  | -  | -                               | (1,727)      |
| <b>31 Dec 2012</b>                | <b>370,445</b>                                 | <b>369,164</b>       | <b>205,978</b>       | <b>43,008</b>            | <b>97,882</b>               | <b>22,296</b>                    | <b>37,449</b>  | <b>(9,898)</b>                           | <b>(5,255)</b>                  | <b>1,281</b> |

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 financial statements.

**Condensed Consolidated Statements of Cash Flow  
for the year ended 31 December 2013**

|  | <b>CUMULATIVE QUARTER</b> |            |
|--|---------------------------|------------|
|  | <b>31.12.2013</b>         | 31.12.2012 |
|  | <b>RM'000</b>             | RM'000     |
| <b>Cash flows from operating activities</b>        |                           |            |
| Cash receipts from customers                       | <b>137,207</b>            | 159,429    |
| Cash payments to suppliers and contractors         | <b>(128,438)</b>          | (100,369)  |
| Cash payments for land and development costs       | <b>(32,320)</b>           | (6,815)    |
| Cash payments to employees and for expenses        | <b>(47,444)</b>           | (54,770)   |
| Cash used in from operations                       | <b>(70,995)</b>           | (2,525)    |
| Net income tax paid                                | <b>(5,442)</b>            | (1,874)    |
| Retirement benefits paid                           | -                         | (297)      |
| Net cash used in operating activities              | <b>(76,437)</b>           | (4,696)    |
| <b>Cash flows from investing activities</b>        |                           |            |
| Proceeds from disposal of investment               | <b>51,484</b>             | 12,630     |
| Purchase of property, plant and equipment          | <b>(4,991)</b>            | (1,677)    |
| Proceed from sale of property, plant and equipment | <b>1,461</b>              | 1,677      |
| Interest received                                  | <b>480</b>                | 794        |
| Dividends received                                 | <b>802</b>                | 1,589      |
| Dividends paid                                     | -                         | (1,727)    |
| Net cash generated from investing activities       | <b>49,236</b>             | 13,286     |

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 financial statements.

# PASDEC HOLDINGS BERHAD

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## Condensed Consolidated Statement of Cash Flow for the year ended 31 December 2013 (continued)

|  | CUMULATIVE QUARTER |            |
|--|--------------------|------------|
|  | 31.12.2013         | 31.12.2012 |
|  | RM'000             | RM'000     |
| <b>Cash flows from financing activities</b>            |                    |            |
| Proceeds from term loans                               | <b>40,851</b>      | 4,615      |
| Repayment of term loans                                | <b>(8,103)</b>     | (348)      |
| Interest paid  | <b>(6,534)</b>     | (6,790)    |
| Repayment of obligations under finance leases          | <b>(29)</b>        | (221)      |
| Repayment of REBs                                      | <b>(4,000)</b>     | (13,467)   |
| Net cash generated from/(used in) financing activities | <b>22,185</b>      | (16,211)   |
| <b>Net decrease in cash and cash equivalents</b>       | <b>(5,016)</b>     | (7,621)    |
| Cash and cash equivalents at beginning of year         | <b>(8,728)</b>     | (1,107)    |
| <b>Cash and cash equivalents at end of year</b>        | <b>(13,744)</b>    | (8,728)    |
| <b>Represented by:</b>                                 |                    |            |
| Cash and bank balances                                 | <b>17,592</b>      | 24,087     |
| Bank overdrafts (in short term borrowings , Note 22)   | <b>(31,336)</b>    | (32,815)   |
|  | <b>(13,744)</b>    | (8,728)    |

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 financial statement.

# PASDEC HOLDINGS BERHAD

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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 |
|--|----------------|
| (a) Amendments FRS 101: Presentation of items of Other Comprehensive Income                  | 1 July 2012    |
| (b) FRS 1: First –time Adoption of Financial Reporting Standards-Government Loans            | 1 January 2013 |
| (c) Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| (d) FRS 10: Consolidated Financial Statement   | 1 January 2013 |
| (e) FRS 11: Joint Arrangements   | 1 January 2013 |
| (f) FRS 12: Disclosure of Interests in Other Entities  | 1 January 2013 |
| (g) FRS 13: Fair Value Measurements  | 1 January 2013 |
| (h) FRS 119 : Employee Benefits  | 1 January 2013 |
| (i) FRS 127: Separate Financial Statements   | 1 January 2013 |
| (j) FRS 128: Investment in Associates and Joint Ventures                                     | 1 January 2013 |

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## 2 Changes in Accounting Policies (continued)

| Description  | Effective date |
|--|----------------|
| (k) Amendments to FRS 10, FRS 12 and FRS 127: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance | 1 January 2014 |
| (l) FRS 132: Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities   | 1 January 2014 |
| (m) FRS 136: Impairment of Assets: Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets  | 1 January 2014 |
| (n) FRS 139: Financial Instruments: Recognition and Measurement-Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting                    | 1 January 2014 |

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.

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### 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.

### 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 year is as follows:-

|                               | <b>CUMULATIVE QUARTER</b> |                   |
|-------------------------------|---------------------------|-------------------|
|                               | <b>12 MONTHS ENDED</b>    |                   |
|                               | <b>31.12.2013</b>         | <b>31.12.2012</b> |
|                               | <b>RM'000</b>             | <b>RM'000</b>     |
| <b>Segment revenue</b>        |                           |                   |
| Investment holding            | <b>32,014</b>             | 12,026            |
| Property development          | <b>59,207</b>             | 94,438            |
| Construction                  | <b>11,043</b>             | 12,102            |
| Trading in building materials | -                         | 3                 |
| Manufacturing                 | <b>57,881</b>             | 58,027            |
| Others                        | <b>7,036</b>              | 3,556             |
|                               | <b>167,181</b>            | 180,152           |
| Elimination                   | <b>(34,390)</b>           | (18,178)          |
| <b>Revenue</b>                | <b>132,791</b>            | 161,974           |

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## 9 Segmental information (continued)

### Segment results

|  |               |               |
|--|---------------|---------------|
| Investment holding                     | 7,554         | 20,380        |
| Property development                   | 37,513        | 43,821        |
| Construction                           | (85)          | 33            |
| Trading in building materials          | (180)         | 386           |
| Manufacturing                          | 811           | (5,882)       |
| Others                                 | 1,122         | (2,648)       |
| <b>Total</b>                           | <b>46,735</b> | <b>56,090</b> |
| Elimination                            | (26,663)      | (30,916)      |
| <b>Sub Total</b>                       | <b>20,072</b> | <b>25,174</b> |
| Finance costs                          |               |               |
| -current                               | (6,371)       | (6,819)       |
| -reversal of prior year provision      | 67            | 29            |
| Share of( loss)/profit from associates | (83)          | 769           |
| <b>Profit before tax</b>               | <b>13,685</b> | <b>19,153</b> |

## 10 Changes in the composition of the Group

During the quarter under review, a subsidiary, Pasdec Engineering Sdn. Bhd. had increased its issued and paid-up share capital from RM2 to RM100, 000 by issuing 99,998 ordinary shares by way of cash to the holding company and ZNA (Asia) Sdn. Bhd. pursuant to a joint venture agreement. As a result, Pasdec Engineering Sdn. Bhd. is now a 51% owned subsidiary.

## 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<br>31.12.2013<br>RM'000 | As at<br>31.12.2012<br>RM'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Capital expenditure           |                               |                               |
| Approved and contracted for:  |                               |                               |
| Property, plant and equipment | <u>77,350</u>                 | <u>74,468</u>                 |

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### 13 Review of current quarter profitability against preceding quarter

|                                 | <b>Current<br/>Quarter<br/>31.12.2013<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30.09.2013<br/>RM'000</b> |
|---------------------------------|--|--|
| <b>Turnover</b>                 | <b>31,416</b>  | 32,826   |
| <b>(Loss)/profit before tax</b> | <b><u>(18,982)</u></b>                               | <u>29,571</u>  |

During the quarter under review, the Group recorded a loss before tax of RM18.98 million compared with a profit of RM29.57 million reported in the immediate preceding quarter mainly due to impairment of goodwill on acquisition of subsidiary of RM15.65 million in the current quarter.

### 14 Review of performance

The Group's revenue of RM132.79 million and gross profit of RM23.62 million for the year under review was mainly contributed by property development and manufacturing activities.

### 15 Prospects for 2014

The Board expects the Group's performance will remain favourable in 2014.

### 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

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

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## 18 Taxation

|                                   | INDIVIDUAL<br>QUARTER        |            | CUMULATIVE<br>QUARTER         |            |
|-----------------------------------|------------------------------|------------|-------------------------------|------------|
|                                   | 3 months ended<br>31.12.2013 | 31.12.2012 | 12 months ended<br>31.12.2013 | 31.12.2012 |
|                                   | RM'000                       | RM'000     | RM'000                        | RM'000     |
| Malaysian income tax              |                              |            |                               |            |
| -Current                          | <b>(710)</b>                 | 1,978      | <b>264</b>                    | 4,944      |
| -Under provision in<br>prior year | <b>1,505</b>                 | -          | <b>584</b>                    | 1,312      |
| Deferred tax                      | <b>(50)</b>                  | 1,887      | -                             | 2,839      |
|                                   | <b>745</b>                   | 3,865      | <b>848</b>                    | 9,095      |

## 19 Sale of property, plant and equipment (assets)

During the year, 3 units of apartment had been disposed for RM141, 000 with RM15, 000 profits (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 31 December 2013, the available-for-sale financial assets position is as follows:

|                                   | As at 31.12.2013<br>RM'000 |   | As at 31.12.2012<br>RM'000 |  |
|-----------------------------------|----------------------------|---|----------------------------|--|
|                                   | Carrying<br>amount         | Market<br>value of<br>quoted<br>investments | Carrying<br>amount         | Market value<br>of quoted<br>investments |
| Shares quoted in Malaysia         | <b>26</b>                  | <b>26</b>                                   | 53,743                     | 53,743                                   |
| Unit trusts quoted in<br>Malaysia | <b>563</b>                 | <b>563</b>                                  | 522                        | 522                                      |
|                                   | <b>589</b>                 | <b>589</b>                                  | 54,265                     | 54,265                                   |

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### 22 Group borrowings and debt securities

The Group's exposure in borrowings is as follows:

|                                    | <b>As at<br/>31.12.2013<br/>RM'000</b> | As at<br>31.12.2012<br>RM'000 |
|------------------------------------|--|-------------------------------|
| Current loans and borrowings       |  |                               |
| - secured                          | <b>43,705</b>                          | 68,514                        |
| Non - current loans and borrowings |  |                               |
| - secured                          | <b>51,938</b>                          | 24,665                        |
| <b>Total loans and borrowings</b>  | <b>95,643</b>                          | 93,179                        |

### 23 Derivative financial instrument

|                      | <b>As at<br/>31.12.2013<br/>RM'000</b> | As at<br>31.12.2012<br>RM'000 |
|----------------------|--|-------------------------------|
| Derivative liability | <b>-</b>                               | 3,894                         |

The derivative liability arose from REBs which had been settled during the year 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.

#### 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.

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### 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 (Loss)/earnings per share

|  | INDIVIDUAL QUARTER<br>3 months ended |            | CUMULATIVE QUARTER<br>12 months ended |            |
|--|--------------------------------------|------------|---------------------------------------|------------|
|  | 31.12.2013                           | 31.12.2012 | 31.12.2013                            | 31.12.2012 |
| <b>Basic (loss)/earnings per share</b>                       |                                      |            |                                       |            |
| (Loss)/profit attributable to owners of the parent<br>RM'000 | <b>(20,400)</b>                      | 2,925      | <b>12,203</b>                         | 8,757      |
| Number of shares at the beginning of the year unit ('000)    | <b>205,978</b>                       | 205,978    | <b>205,978</b>                        | 205,978    |
| Basic (loss)/earnings per share (sen)                        | <b>(9.91)</b>                        | 1.42       | <b>5.92</b>                           | 4.25       |

### 28 Realised and unrealised retained earnings disclosure

|  | Unaudited<br>31.12.2013<br>RM'000 | Audited<br>31.12.2012<br>RM'000 |
|--|-----------------------------------|---------------------------------|
| Realised                                 | <b>22,447</b>                     | 3,709                           |
| Unrealised                               | <b>6,057</b>                      | 7,471                           |
|  | <b>28,504</b>                     | 11,180                          |
| Share of retained earnings of associates |                                   |                                 |
| -Realised                                | <b>2,778</b>                      | 2,862                           |
|  | <b>31,282</b>                     | 14,042                          |
| Less:                                    |                                   |                                 |
| Consolidation adjustments                | <b>(78,803)</b>                   | (83,840)                        |
| Retained earnings c/f                    | <b>110,085</b>                    | 97,882                          |

### 29 Comparative figures

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