

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

PASDEC HOLDINGS BERHAD

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

**Financial Statements
as at 31 December 2014**

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	57,734	31,573	209,691	132,948
Cost of sales	(42,961)	(18,738)	(162,630)	(100,624)
Gross profit	14,773	12,835	47,061	32,324
Other items of income				
Other income	992	3,603	5,858	47,300
Finance income/(loss)	213	(430)	315	671
Other items of expense				
Personnel expenses	(2,354)	(8,361)	(16,291)	(22,307)
Other expenses	(6,303)	(25,866)	(21,536)	(39,014)
Finance costs	(1,569)	(670)	(5,538)	(4,825)
Share of net (loss)/profit of associates	(878)	292	(101)	(79)
Profit/(loss) before tax	4,874	(18,597)	9,768	14,070
Taxation (Note 18)	(946)	(550)	(3,762)	(653)
Profit/(loss) net of tax	3,928	(19,147)	6,006	13,417

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 2013 and the accompanying explanatory notes attached to the financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014 (continued)

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Other comprehensive income/(loss)				
Net gain available-for sale				
Financial assets				
-(Loss)/profit on fair value changes	(51)	1,284	(82)	(2,057)
-Transfer to profit and loss upon disposal	-	(1,268)	-	(35,252)
-Others		(355)		(355)
Foreign currency translation	455	3,047	(1,186)	(2,624)
Other comprehensive income/(loss), net of tax	404	2,708	(1,268)	(40,288)
Total comprehensive income/(loss) for the year, net of tax	4,332	(16,439)	4,738	(26,871)
Profit/(loss) attributable to:				
Owners of the parent	4,096	(19,544)	5,077	13,059
Non-controlling interests	(168)	397	929	358
	3,928	(19,147)	6,006	13,417
Total comprehensive income/(loss) attributable to:				
Owners of the parent	4,424	(18,518)	3,750	(27,184)
Non-controlling interests	(92)	2,079	988	313
	4,332	(16,439)	4,738	(26,871)
Earnings/(loss) per share attributable to owners of the Company (Note 26)				
Basic (sen)	1.98	(9.49)	2.46	6.34
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 2013 and the accompanying explanatory notes attached to the financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 31 December 2014

	Notes	Unaudited 31.12.2014 RM'000	Audited 31.12.2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		18,469	18,840
Land held for property development		116,337	129,217
Investment properties		7,794	8,290
Investments in associates		20,354	20,982
Investment securities	20	507	589
Deferred tax assets		5,836	6,460
		169,297	184,378
Current assets			
Property development costs		180,572	163,569
Inventories		69,518	69,975
Trade receivables		87,339	60,337
Other receivables		13,129	16,143
Tax recoverable		7,933	4,625
Cash and bank balances		17,378	17,760
		375,869	332,409
TOTAL ASSETS		545,166	516,787
EQUITY AND LIABILITIES			
Current liabilities			
Retirement benefit obligations		359	323
Loans and borrowings	21	57,189	47,391
Trade payables		56,312	35,108
Other payables		36,613	28,307
Tax payable		4,245	242
		154,718	111,371
NET CURRENT ASSETS		221,151	221,038

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 31 December 2014 (continued)

		Unaudited	Audited
		31.12.2014	31.12.2013
		RM'000	RM'000
Non-current liabilities			
Retirement benefit obligations		5,369	5,112
Loans and borrowings	21	33,496	49,118
Other payables		11,985	8,087
		50,850	62,317
TOTAL LIABILITIES		205,568	173,688
Equity attributable to owners of the parent			
Share capital		205,978	205,978
Share premium		43,008	43,008
Other reserves	22	(18,919)	(17,592)
Retained earnings		106,729	109,891
		336,796	341,285
Non-controlling interests		2,802	1,814
TOTAL EQUITY		339,598	343,099
TOTAL EQUITY AND LIABILITIES		545,166	516,787
Net assets per share (RM)		1.65	1.67

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 2013 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 year ended 31 December 2014

	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	Non- controlling interest RM'000
1 Jan 2014	343,099	341,285	205,978	43,008	109,891	(17,592)	140	(9,898)	(7,834)	1,814
Comprehensive income	6,006	5,077	-	-	5,077	-	-	-	-	929
Other comprehensive income	(1,268)	(1,327)	-	-	-	(1,327)	(82)	-	(1,245)	59
Total comprehensive income	4,738	3,750	-	-	5,077	(1,327)	(82)	-	(1,245)	988
Transactions with owners										
Dividend (Note 26)	(8,239)	(8,239)	-	-	(8,239)	-	-	-	-	-
31 Dec 2014	339,598	336,796	205,978	43,008	106,729	(18,919)	58	(9,898)	(9,079)	2,802

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 2013 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 year ended 31 December 2014 (continued)

	-----Attributable to owners of the parent-----						-----Non Distributable-----			
	Total equity RM'000	-----Non Distributable-----		Distributable	-----Non Distributable-----		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
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				
1 Jan 2013	369,970	368,689	205,978	43,008	97,407	22,296	37,449	(9,898)	(5,255)	1,281
Comprehensive income	13,417	13,059	-	-	13,059	-	-	-	-	358
Other comprehensive loss	(40,288)	(40,243)	-	-	(355)	(39,888)	(37,309)	-	(2,579)	(45)
Total comprehensive income	(26,871)	(27,184)	-	-	12,704	(39,888)	(37,309)	-	(2,579)	313
Transaction with owners	-	(220)	-	-	(220)	-	-	-	-	220
31 Dec 2013	343,099	341,285	205,978	43,008	109,891	(17,592)	140	(9,898)	(7,834)	1,814

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 2013 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 year ended 31 December 2014

	CUMULATIVE QUARTER	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	193,661	137,207
Cash payments to suppliers and contractors	(152,473)	(160,322)
Cash payments to employees and for expenses	(38,131)	(47,444)
Cash generated from/ (used in) operations	3,057	(70,559)
Net income tax paid	(1,416)	(5,442)
Interest paid	(2,431)	-
Net cash used in operating activities	(790)	(76,001)
Cash flows from investing activities		
Purchase of property, plant and equipment	(966)	(4,991)
Proceed from disposal of investment	-	51,484
Proceed from sale of property, plant and equipment	14	1,461
Interest received	-	480
Dividend (paid)/received	(854)	802
Net cash generated from investing activities	(1,806)	49,236

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 2013 and the accompanying explanatory notes attached to the financial statements.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flow for the year ended 31 December 2014 (continued)

	CUMULATIVE QUARTER	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from financing activities		
Proceeds from term loans	22,221	40,851
Repayment of term loans	(16,909)	(8,103)
Interest paid	(2,088)	(6,534)
Repayment of obligations under finance leases	(115)	(29)
Repayment of REBs	-	(4,000)
Net cash generated from financing activities	3,109	22,185
Net increase/(decrease) cash and cash equivalents		
	513	(4,580)
Cash and cash equivalents at beginning of year	(13,308)	(8,728)
Cash and cash equivalents at end of year	(12,795)	(13,308)
Represented by:		
Cash and bank balances	17,378	17,982
Bank overdrafts	(30,173)	(31,290)
	(12,795)	(13,308)

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 2013 and the accompanying explanatory notes attached to the financial statement.

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 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 financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the 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 2013.

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 2013, 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 or after 1 July 2012 and 1 January 2013.

FRSs, Amendments to FRSs and IC Interpretations

Description	Effective date
Amendments FRS 101: Presentation of items of Other Comprehensive Income	1 July 2012
Amendments FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
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 Measurement	1 January 2013
FRS 119: Fair Value Measurement	1 January 2013
FRS 127 ²⁰¹¹ : Separate Financial Statements	1 January 2013

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

2 Changes in Accounting Policies (continued)

Description	Effective date
FRS 128 ²⁰¹¹ : Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1, FRS 116, FRS 132, FRS 134 and FRS 12 (2012): First time-Adoption of Malaysian Financial Reporting Standards (MFRS), Property, Plant & Equipment, and Financial Instruments: Presentation and Interim Financial Reporting respectively	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The adoption of the above new/revised/amendment to FRSs is not expected to have any significant impact to the Group except for FRS 101, FRS 10, FRS 12, FRS 13, FRS 127, FRS 128, FRS 7 and FRS 119.

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 and the adoption of the MFRS Framework by Transitioning Entities is mandatory for annual periods beginning on or after 1 January 2017.

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 2017.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Malaysian Financial Reporting Standards (“MFRS Framework”) (continued)

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. The major differences between FRS Framework and MFRS Framework are as follows:

- a) Agreement for the Construction of Real Estates: under FRS 201 revenues and expenses are recognised using the stage of completion method whilst under MFRS Framework, in accordance to IC Interpretation 15: Agreements for the Construction of Real Estate (“IC 15”), property development revenue and expenses from development of real estate units are recognized upon completion. This change in accounting policy, including the related deferred tax impact, shall be accounted for retrospectively.
- b) Land held for development: Under the FRS Framework, land held for future development is stated at cost. Under MFRS, land held for future development is to be stated at the lower of cost and net realisable value.
- c) Agriculture: Under the MFRS Framework, MFRS 141 Agriculture (MFRS 141), requires biological assets to be measured at fair value less costs to sell unless it is not possible to measure fair value reliably, in which case they are measured at cost. However this MFRS is not applicable to the Group.

3 Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2013 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 except for that disclosed in Note 14.

6 Changes in estimates

There were no materials changes in estimates of amounts reported in prior financial years that have material effect on 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 year except for those disclosed in the cash flow.

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:-

	CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.12.2014	31.12.2013
	RM'000	RM'000
Segment revenue		
Investment holding	24,033	82,014
Property development	112,727	57,547
Construction	37,378	12,857
Manufacturing	57,694	57,762
Others	10,931	7,158
	242,763	217,338
Elimination	(33,072)	(84,390)
Revenue	209,691	132,948
Segment results		
Investment holding	(1,575)	(29,999)
Property development	6,990	2,261
Construction	(579)	(109)
Manufacturing	1,920	601
Others	(173)	36,194
Total	6,583	8,948
Consolidation adjustments	8,824	10,026
Sub total	15,407	18,974
Finance costs	(5,538)	(4,825)
Share of net loss from associates	(101)	(79)
Profit before tax	9,768	14,070

10 Changes in the composition of the Group

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

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

11 Contingent liabilities

There were no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2013.

12 Capital commitments of the Group

	Current Quarter 31.12.2014 RM'000	Preceding Quarter 30.09.2014 RM'000
Capital expenditure Approved and contracted for: Property, plant and equipment	74,468	74,468

13 Review of current quarter profitability against preceding quarter

	Current Quarter 31.12.2014 RM'000	Preceding Quarter 30.09.2014 RM'000
Turnover	57,734	39,208
Profit before tax	4,874	438

The higher revenue and profit before tax in the current quarter was mainly due to improved performance in the property development and construction sectors.

14 Review of performance

The Group recorded a turnover of RM209.69 million in 2014 that was 58% increase from RM132.95 million in 2013, due to improved performance in the property development and construction sectors. Improved progress on sites and better sales performance of the property development projects were seen during the year under review.

However, profit before tax of the Group was RM9.77 million in 2014 compared with RM14.07 million in 2013 because of increased in the operational costs in 2014.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

15 Prospects for 2015

In view of uncertain economic outlook, the Group will be more cautious and will stay focused on its key strengths while continuing to improve its performance. Barring unforeseen circumstances, the Group will continue to focus on its 3 main core activities in 2015, which are property development, construction and manufacturing.

On top of that, the Group will embark on 2 small-hydro projects in 2015. Nevertheless, there will be no financial impact on the profit and loss of the Group in 2015.

Barring any unforeseen circumstances, the Group expects a satisfactory performance in 2015.

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

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

18 Taxation

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Current income tax				
Malaysian income tax				
- Current	906	(224)	3,515	750
- Prior year overprovision	1	824	(102)	(97)
Real property gain tax				
- Prior year overprovision	-		(80)	
Foreign income tax	39	(49)	429	-
	946	551	3,762	653

19 Corporate proposals

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

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

20 Investment securities

As at 31 December 2014, the available-for-sale financial assets at fair value are as follows:

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Shares quoted in Malaysia	17	26
Unit trusts	490	563
	507	589

21 Loans and borrowings

The Group's exposure in loans and borrowings is as follows:

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Current loans and borrowings		
- secured	57,189	47,391
Non-current loans and borrowings		
- secured	33,496	49,118
Total loans and borrowings	90,685	96,509

22 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.

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

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.

23 Off balance sheet financial instruments

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

24 Material litigation

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

25 Dividend

The dividend recognised during the year was in respect of a first and final tax exempt (single-tier) dividend of 4 Sen per ordinary share for the financial year ended 31 December 2013, of 4% on 205,978,000 ordinary shares, amounting to RM8,239,120 and was paid on 18 September 2014.

No dividend had been recommended for the period under review.

26 Earnings/ (loss) per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Basic earnings/(loss) per share				
Profit/(loss) attributable to to owners of the parent (RM'000)	4,096	(19,544)	5,077	13,059
Number of shares at the beginning of the year (unit '000)	205,978	205,978	205,978	205,978
Basic earnings/(loss) per share (sen)	1.98	(9.49)	2.46	6.34

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

27 Realised and unrealised retained earnings disclosure

	Unaudited 31.12.2014 RM'000	Audited 31.12.2013 RM'000
Realised	(92,189)	(48,802)
Unrealised	(13,083)	(11,132)
	(105,272)	(59,934)
Share of retained earnings of associates		
-Realised	2,884	2,782
	(102,388)	(57,152)
Add:		
Consolidation adjustments	209,117	167,043
Retained earnings c/f	106,729	109,891

28 Comparative figures

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