

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

PASDEC HOLDINGS BERHAD

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

**Financial Statements
As at 30 September 2016**

PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2016

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------------|---------------------------|------------|---------------------------|------------|
| | 3 months ended | | 9 months ended | |
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 27,133 | 34,942 | 87,682 | 125,862 |
| Cost of sales | (24,240) | (28,707) | (53,619) | (104,398) |
| Gross profit | 2,893 | 6,235 | 34,063 | 21,464 |
| Other items of income | | | | |
| Interest income | 249 | 208 | 442 | 364 |
| Other income | 1,984 | 175 | 5,168 | 1,627 |
| Other items of expense | | | | |
| Personnel expenses | (6,433) | (4,487) | (18,886) | (13,018) |
| Other expenses | (998) | (12,171) | (16,732) | (25,685) |
| Finance costs | (1,546) | (1,808) | (4,838) | (4,504) |
| Share of profits of associates | 673 | 109 | 3,117 | 295 |
| Profit/(loss) before tax | (3,178) | (11,739) | 2,334 | (19,457) |
| Taxation (Note 17) | (854) | 2,987 | (1,285) | (795) |
| Profit/(loss) net of tax | (4,032) | (8,752) | 1,049 | (20,252) |

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2016 (continued)

| | INDIVIDUAL QUARTER 3 months ended | | CUMULATIVE QUARTER 9 months ended | |
|--|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | 30.09.2016 RM'000 | 30.09.2015 RM'000 | 30.09.2016 RM'000 | 30.09.2015 RM'000 |
| Other comprehensive income/(loss) | | | | |
| Profit/(loss) on fair value changes | 28 | (13) | 1,911 | (34) |
| Foreign currency translation | (9,861) | (636) | (8,078) | 2,862 |
| Other comprehensive income/(loss), net of tax | (9,833) | (649) | (6,167) | 2,828 |
| Total comprehensive income/(loss) for the period, net of tax | (13,865) | (9,401) | (5,118) | (17,424) |
| Profit/(loss) attributable to: | | | | |
| Owners of the parent | (4,112) | (6,904) | 1,044 | (18,127) |
| Non-controlling interests | 80 | (1,848) | 5 | (2,125) |
| | (4,032) | (8,752) | 1,049 | (20,252) |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | (14,080) | (7,577) | (8,205) | (15,377) |
| Non-controlling interests | 215 | (1,824) | 3,087 | (2,047) |
| | (13,865) | (9,401) | (5,118) | (17,424) |
| Earnings/(losses) per share attributable to owners of the Company (Note 26) | | | | |
| Basic (sen) | (1.99) | (3.35) | 0.51 | (8.80) |

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 2015 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 2016

| | Notes | Unaudited 30.09.2016 RM'000 | Audited 31.12.2015 RM'000 |
|------------------------------------|-------|-----------------------------------|---------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | | 17,054 | 15,408 |
| Land held for property development | | 153,904 | 150,733 |
| WIP – mini hydro | | 5,910 | 3,966 |
| Investment properties | | 22,873 | 23,893 |
| Investments in associates | | 22,403 | 18,773 |
| Investment securities | 20 | 480 | 486 |
| Deferred tax assets | | 6,102 | 5,631 |
| | | 228,726 | 218,890 |
| Current Assets | | | |
| Property development costs | | 116,227 | 128,072 |
| Inventories | | 75,397 | 65,571 |
| Trade receivables | | 46,520 | 60,902 |
| Other receivables | | 11,034 | 6,504 |
| Other current assets | | 9,771 | 16,687 |
| Tax recoverable | | 3,049 | 2,020 |
| Cash and bank balances | | 32,362 | 31,314 |
| | | 294,360 | 311,070 |
| TOTAL ASSETS | | 523,086 | 529,960 |
| EQUITY AND LIABILITIES | | | |
| Current Liabilities | | | |
| Retirement benefit obligations | | 533 | 675 |
| Loans and borrowings | 21 | 66,220 | 50,852 |
| Trade payables | | 54,567 | 56,616 |
| Other payables | | 34,298 | 42,505 |
| Tax payable | | 1,076 | 168 |
| | | 156,694 | 150,816 |
| NET CURRENT ASSETS | | 137,666 | 160,254 |

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**Condensed Consolidated Statements of Financial Position
as at 30 September 2016 (continued)**

| | | Unaudited 30.09.2016 RM'000 | Audited 31.12.2015 RM'000 |
|--|----|--|---------------------------------|
| Non-Current Liabilities | | | |
| Retirement benefit obligations | | 5,378 | 5,078 |
| Loans and borrowings | 21 | 54,994 | 60,652 |
| Other payables | | 5,590 | 7,866 |
| | | 65,962 | 73,596 |
| TOTAL LIABILITIES | | 222,656 | 224,412 |
| Equity attributable to owners of the parent | | | |
| Share capital | | 205,978 | 205,978 |
| Share premium | | 43,008 | 43,008 |
| Other reserves | 22 | (30,094) | (20,845) |
| Retained earnings | | 77,321 | 76,277 |
| | | 296,213 | 304,418 |
| Non-controlling interests | | 4,217 | 1,130 |
| TOTAL EQUITY | | 300,430 | 305,548 |
| TOTAL EQUITY AND LIABILITIES | | 523,086 | 529,960 |
| Net assets per share (RM) | | 1.46 | 1.48 |

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 2015 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 2016

| | -----Attributable to owners of the parent----- | | | | | | -----Non Distributable----- | | | |
|--|--|----------------------------|----------------------------|--------------------------------|---------------|-----------------------------------|--|---|--|---|
| | Total equity RM'000 | NonDistributable | | Distributable | | 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 |
| Total equity attributable to owners of the parent RM'000 | | Share capital RM'000 | Share premium RM'000 | Retained earnings RM'000 | | | | | | |
| 1 Jan 2016 | 305,548 | 304,418 | 205,978 | 43,008 | 76,277 | (20,845) | 37 | (9,898) | (10,984) | 1,130 |
| Comprehensive income/(loss) | 1,049 | 1,044 | - | - | 1,044 | - | - | - | - | 5 |
| Other comprehensive income/(loss) | (6,167) | (9,249) | - | - | - | (9,249) | 1,911 | - | (11,160) | 3,082 |
| Total comprehensive income/(loss) | (5,118) | (8,205) | - | - | 1,044 | (9,249) | 1,911 | - | (11,160) | 3,087 |
| 30 September 2016 | 300,430 | 296,213 | 205,978 | 43,008 | 77,321 | (30,094) | 1,948 | (9,898) | (22,144) | 4,217 |

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 2015 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 2016 (continued)

| | -----Attributable to owners of the parent----- | | | | | | -----Non Distributable----- | | | |
|---|--|---|----------------------------|---------------|--------------------------------|--------------------------------------|--|---|--|---|
| | Total equity RM'000 | Total equity attributable to owners of the parent RM'000 | Non Distributable | | 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 |
| Share capital RM'000 | | | Share premium RM'000 | | | | | | | |
| 1 Jan 2015 | | | | | | | | | | |
| As previously stated | 334,896 | 330,535 | 205,978 | 43,008 | 101,772 | (20,223) | 58 | (9,898) | (10,383) | 4,361 |
| Adjustment | 359 | 359 | - | - | 359 | - | - | - | - | - |
| Restated | 335,255 | 330,894 | 205,978 | 43,008 | 102,131 | (20,223) | 58 | (9,898) | (10,383) | 4,361 |
| Comprehensive loss | (20,252) | (18,127) | - | - | (18,127) | - | - | - | - | (2,125) |
| Other comprehensive income/(loss) | 2,828 | 2,750 | - | - | - | 2,750 | (34) | - | 2,784 | 78 |
| Total comprehensive (loss)/ income | (17,424) | (15,377) | - | - | (18,127) | 2,750 | (34) | - | 2,784 | (2,047) |
| 30 September 2015 | 317,831 | 315,517 | 205,978 | 43,008 | 84,004 | (17,473) | 24 | (9,898) | (7,599) | 2,314 |

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statements of Cash Flow for the period ended 30 September 2016

| | CUMULATIVE QUARTER | |
|--|--------------------|------------|
| | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 98,462 | 145,662 |
| Cash payments to suppliers and contractors | (70,680) | (76,157) |
| Cash payments to employees and for expenses | (20,640) | (39,737) |
| Cash generated from operations | 7,142 | 29,768 |
| Net income tax paid | (1,937) | (376) |
| Net cash generated from operating activities | 5,205 | 29,392 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,565) | (742) |
| Proceed from sale of property, plant and equipment | 28 | 1,901 |
| Proceeds from sale of investment properties | 733 | - |
| Dividend received | 21 | 31 |
| Net cash (used in)/generated from investing activities | (1,783) | 1,190 |

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 2015 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 2016 (continued)

| | CUMULATIVE QUARTER | |
|---|---------------------|---------------------|
| | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 |
| Cash flows from financing activities | | |
| Proceed from term loans | 20,098 | 10,901 |
| Repayment of term loans | (15,889) | (16,835) |
| Repayment of obligation under finance leases | (54) | (3,971) |
| Interest paid | (6,579) | (17) |
| Net cash used in financing activities | <u>(2,424)</u> | <u>(9,922)</u> |
| Net increase in cash and cash equivalents | 998 | 20,660 |
| Cash and cash equivalents at beginning of period | 586 | (14,161) |
| Cash and cash equivalents at end of period | <u>1,584</u> | <u>6,499</u> |
| Represented by: | | |
| Cash and bank balances | 32,362 | 32,647 |
| Bank overdrafts | (30,778) | (26,148) |
| | <u>1,584</u> | <u>6,499</u> |

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 2015 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 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those of the annual financial statements for the year ended 31 December 2015.

The Group has not elected for early adoption of the following new and amended FRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 December 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015. FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective:-

| Description | Effective date |
|---|-----------------------|
| Amendments to FRS112 : Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| Amendments to FRS 107 : Disclosure Initiative | 1 January 2017 |
| FRS 9: Financial Instruments | 1 January 2018 |

These new and amended FRSs are not expected to have any significant impact on the financial statements of the Group upon their initial application, other than FRS 9: Financial Instruments. The adoption FRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

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1 Basis of preparation (continued)

Malaysia Financial Reporting Standards (MFRS Framework)

On 8 September 2015, the Malaysian Accounting Standard Board (“MASB”) confirmed that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018, following the recent press release by the International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers. However, early application of MFRS 15 is still permitted. As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRS) will also be deferred to annual periods beginning on or after 1 January 2018. The TEs are entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including their parents, significant investors and joint ventures. Generally, the TEs are entities in the real estate and agriculture industries that have been given the option to continue applying the Financial Reporting Standards Framework, the predecessor of the MFRS Framework.

The MASB has consistently used the effective date of MFRS 15 as the basis for setting the effective date for the TEs to apply the MFRS. In the light of the IASB’s deferral of IFRS 15, the effective date for the TEs to apply the MFRS will also be deferred to 1 January 2018.

The Group falls within the scope definition of TEs and accordingly, will be required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be 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.

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

A. Agreement for the Construction of Real Estates

a) Revenue recognition for property under development

Under the FRS framework, under FRS 201, when the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised using the stage of completion method.

Under the MFRS framework, in accordance to MFRS 15 Revenue from Contracts with Customers, it established a new five-step models that will apply revenue arising from contracts with the customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

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1 Basis of preparation (continued)

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

b) Land held for development

Under the FRS framework, land held for future development is classified as a non-current asset and stated at cost less any accumulated losses.

Upon transition to the MFRS framework, FRS 201 is withdrawn and entities would have to classify land held for future development appropriately based on the relevant facts and circumstances, such as, inventory in accordance with MFRS 102 Inventories (e.g. when development activities with a view to sale have commenced and where it can be demonstrated that development activities can be completed within the normal operating cycle). If the land is to be accounted as inventory under MFRS 102, the land will have to be stated at the lower of cost and net realisable value.

B. 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. Gain and losses from changes in fair value less costs to sell are recognised in profit or loss. Agricultural produce harvested from biological asset are measured at fair value less costs to sell at the point of harvest. Thereafter, the standard on inventories generally applies. However this MFRS is not applicable to the Group.

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2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2015 contained qualification of opinion in view of an unauthorised mining activity carried out on land belonging to a subsidiary, Pasdec Corporation Sdn Bhd.

As at the reporting date, the auditors have not reviewed the qualification of opinion.

3 Seasonal or cyclical factors

The Group's performance was not materially affected by any significant seasonal or cyclical factors during the financial period under review.

4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Group that are unusual due to their nature, size or incidence for the financial period under review.

5 Changes in estimates

There were no materials changes in estimates for the financial period under review.

6 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 those disclosed in the cash flow.

7 Dividends paid

There were no dividends paid during the period under review.

8 Valuation of property, plant and equipment

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

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9 Segmental information

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

| | CUMULATIVE QUARTER 9 MONTHS ENDED | |
|---------------------------------|--------------------------------------|----------------------|
| | 30.09.2016 RM'000 | 30.09.2015 RM'000 |
| Segment revenue | | |
| Investment holding | 1,703 | 30,530 |
| Property development | 49,482 | 61,852 |
| Manufacturing | 34,879 | 39,948 |
| Construction | 3,955 | 21,795 |
| Others | 3,364 | 6,170 |
| | 93,383 | 160,295 |
| Elimination | (5,701) | (34,433) |
| Revenue | 87,682 | 125,862 |
| Segment results | | |
| Investment holding | (5,070) | 14,325 |
| Property development | 10,090 | 371 |
| Manufacturing | (1,398) | (9,553) |
| Construction | (402) | (191) |
| Others | (407) | 1,232 |
| Total | 2,813 | 6,184 |
| Elimination | 1,242 | (21,432) |
| Sub Total | 4,055 | (15,248) |
| Finance costs | (4,838) | (4,504) |
| Share of profits of associates | 3,117 | 295 |
| Profit/(loss) before tax | 2,334 | (19,457) |

10 Changes in the composition of the Group

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

11 Subsequent events

There were no material events subsequent to the end of the current financial period.

12 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 2015.

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13 Capital commitments of the Group

| | Current Quarter 30.09.2016 RM'000 | Preceding Quarter 30.06.2016 RM'000 |
|--|--|--|
| Capital expenditure Approved and contracted for: Property, plant and equipment | 63,563 | 64,979 |

14 Review of performance/review of current quarter results against preceding quarter /prospect for the current financial year

| | CUMULATIVE QUARTER 9 MONTHS ENDED | | Current Quarter | Preceding Quarter |
|---------------------------------|--|-------------------|----------------------------|------------------------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.06.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 87,682 | 125,862 | 27,133 | 38,805 |
| Profit/(loss) before tax | 1,049 | (20,252) | (3,178) | 6,829 |

Operating amidst tight liquidity environment in the local property market, coupled with the continued reduced and inconsistent sales volume by a customer of the manufacturing sector in South Africa, the Group has recorded a drop of 30% in turnover from RM125.86 million to RM87.68 million for the 9 months period ended 30 September 2016.

The relocation of the manufacturing operations from South Africa to Botswana, which started in 2015, is expected to be completed by end of the first quarter 2017. A major part of the relocation expenses have been recognised in the previous financial year.

The Group recorded profit before tax of RM1.05 million for the 9 months ended 30 September 2016.

Prospect for the current financial year

The Group expects softer performance for the remaining financial year ending 31 December 2016.

15 Profit forecast and profit guarantee

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

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16 Disposal and exchange of investment securities

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

17 Taxation

| | INDIVIDUAL QUARTER 3 months ended | | CUMULATIVE QUARTER 9 months ended | |
|----------------------------|---|----------------|---|------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian income tax | | | | |
| -current | (8) | (465) | 1,033 | 3,863 |
| -prior year over provision | 252 | (316) | 252 | (316) |
| Foreign income tax | 610 | (2,206) | - | (2,752) |
| | 854 | (2,987) | 1,285 | 795 |

18 Sale of property, plant and equipment

During the period under review, there was sale of property, plant and equipment totaling RM0.43 million compared to last year of RM1.21 million.

19 Corporate proposals

On 18 October 2016, on behalf of the Board of Directors of Pasdec ("Board"), RHB Investment Bank Berhad announced the Company's proposal to undertake the following:-

- a) Proposed reduction of the issued and fully paid-up share capital of Pasdec via the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in pursuant to Section 64 of the Companies Act, 1965;
- b) Proposed acquisition by Pasdec of twelve (12) parcels of office units in Menara Zenith, a multi-storey office building located in Kuantan, Pahang from Jasa Imani Sdn Bhd for an aggregate consideration of RM40 million which is to be fully satisfied via the issuance of new ordinary shares of RM0.50 each in Pasdec after the completion of the Proposed Par Value Reduction, at an issue price of RM0.50 per Pasdec Share ("Proposed Acquisition");
- c) Proposed renounceable two-call rights issue of 114,391,200 new Pasdec Shares ("Right Share(s)") on the basis of two (2) Right Shares for every five (5) existing Pasdec Shares held after the Proposed Par Value Reduction and Proposed Acquisition, together with 114,391,200 free detachable warrants, on the basis of one (1) warrant for every one Rights Share subscribed, at an indicative issue price of RM0.50, of which the indicative first call of RM0.30 will be payable in cash on application and the indicative second call of RM0.20 is to

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19 Corporate proposals (continued)

be capitalised from the Company's reserves; and

- d) Proposed amendments to the Memorandum and Articles of Association of Pasdec to facilitate the implementation of the Proposed Par Value Reduction.

20 Investment securities

As at 30 September 2016, the available-for-sale financial assets position is as follows:

| | As at 30.09.2016 | As at 30.09.2015 |
|--------------------------------|--|----------------------------------|
| | Market value/ Carrying amount | Market value/ Carrying amount |
| | RM'000 | RM'000 |
| Shares quoted in Malaysia | 17 | 15 |
| Unit trusts quoted in Malaysia | 463 | 458 |
| | 480 | 473 |

21 Loans and borrowings

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

| | As at 30.09.2016 | As at 30.09.2015 |
|-----------------------------------|-----------------------------|---------------------|
| | RM'000 | RM'000 |
| Current loans and borrowings | | |
| - secured | 66,220 | 43,386 |
| Noncurrent loans and borrowings | | |
| - secured | 54,994 | 58,381 |
| Total loans and borrowings | 121,214 | 106,767 |

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22 Other reserves

a) Foreign currency exchange reserve

The foreign currency exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

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.

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

There was no dividend declared for the quarter under review.

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26 Earnings/ (losses) per share

| | INDIVIDUAL QUARTER 3 months ended | | CUMULATIVE QUARTER 9 months ended | |
|---|--------------------------------------|------------|--------------------------------------|------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| Basic earnings/(losses) per share | | | | |
| Earnings/(losses) attributable to owners of the parent (RM'000) | (4,112) | (6,904) | 1,044 | (18,127) |
| Number of shares at the beginning of the period (unit '000) | 205,978 | 205,978 | 205,978 | 205,978 |
| Basic earnings/(losses) per share (sen) | (1.99) | (3.35) | 0.51 | (8.80) |

27 Realised and unrealised retained earnings disclosure

| | Unaudited 30.09.2016 RM'000 | Audited 31.12.2015 RM'000 |
|---|-----------------------------------|---------------------------------|
| Realised | (143,620) | (136,728) |
| Unrealised | 14,411 | 5,632 |
| | (129,209) | (131,096) |
| Share of retained earnings of associates | | |
| - Realised | (890) | 2,227 |
| | (130,099) | (128,869) |
| Less: | | |
| Consolidation adjustments | (207,420) | (205,146) |
| Retained earnings c/f | 77,321 | 76,277 |

28 Comparative figures

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