

**PASDEC HOLDINGS BERHAD**

(Incorporated in Malaysia)

**PASDEC HOLDINGS BERHAD**

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

**Financial Statements  
as at 31 March 2017**

# PASDEC HOLDINGS BERHAD

(Incorporated in Malaysia)

## Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>37,939</b>	21,744	<b>37,939</b>	21,744
Cost of sales	<b>(24,434)</b>	(11,792)	<b>(24,434)</b>	(11,792)
<b>Gross profit</b>	<b>13,505</b>	9,952	<b>13,505</b>	9,952
<b>Other items of income</b>				
Interest income	<b>121</b>	103	<b>121</b>	103
Other income	<b>1,517</b>	154	<b>1,517</b>	154
<b>Other items of expense</b>				
Personnel expenses	<b>(4,299)</b>	(4,239)	<b>(4,299)</b>	(4,239)
Other expenses	<b>(6,239)</b>	(7,119)	<b>(6,239)</b>	(7,119)
Finance costs	<b>(1,939)</b>	(1,383)	<b>(1,939)</b>	(1,383)
Share of (losses)/profits of associates	<b>(401)</b>	1,215	<b>(401)</b>	1,215
<b>Profit/(loss) before tax</b>	<b>2,265</b>	(1,317)	<b>2,265</b>	(1,317)
Taxation (Note 19)	<b>(814)</b>	389	<b>(814)</b>	389
<b>Profit/ net of tax</b>	<b>1,451</b>	(928)	<b>1,451</b>	(928)

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 2016 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 31 March 2017 (continued)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
<b>Other comprehensive income/(loss)</b>				
Net gain available-for sale financial assets				
-Profit on fair value changes	30	2	30	2
Foreign currency translation	2,228	5,792	2,228	5,792
<b>Other comprehensive income, net of tax</b>	<b>2,258</b>	<b>5,794</b>	<b>2,258</b>	<b>5,794</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>3,709</b>	<b>4,866</b>	<b>3,709</b>	<b>4,866</b>
<b>Income/(loss) attributable to:</b>				
Owners of the parent	1,391	(873)	1,391	(873)
Non-controlling interests	60	(55)	60	(55)
	<b>1,451</b>	<b>(928)</b>	<b>1,451</b>	<b>(928)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	3,778	2,216	3,778	2,216
Non-controlling interests	(69)	2,650	(69)	2,650
	<b>3,709</b>	<b>4,866</b>	<b>3,709</b>	<b>4,866</b>
<b>Earnings/(loss) per share attributable to owners of the Company (Note 29)</b>				
Basic (sen)	0.68	(0.42)	0.68	(0.42)
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 2016 and the accompanying explanatory notes attached to the interim

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financial statements.

## Condensed Consolidated Statements of Financial Position as at 31 March 2017

	Notes	Unaudited 31.03.2017 RM'000	Audited 31.12.2016 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		17,129	15,259
Work in progress		7,568	6,667
Land held for property development		134,656	133,612
Investment properties		22,621	22,747
Investments in associates		20,923	19,519
Investment securities	22	496	466
		<u>203,393</u>	<u>198,270</u>
<b>Current Assets</b>			
Property development costs		143,716	139,925
Inventories		72,702	72,736
Trade receivables		38,194	33,121
Other receivables		14,296	10,323
Other current assets		11,551	13,757
Tax recoverable		3,815	3,747
Cash and bank balances		28,431	28,276
		<u>312,705</u>	<u>301,885</u>
<b>TOTAL ASSETS</b>		<u><b>516,098</b></u>	<u>500,155</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Retirement benefit obligations		593	916
Loans and borrowings	23	80,335	60,710
Trade payables		55,415	53,871
Other payables		35,233	47,484
Tax payable		813	24
		<u>172,389</u>	<u>163,005</u>
<b>NET CURRENT ASSETS</b>		<u><b>140,316</b></u>	<u>138,880</u>

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## Condensed Consolidated Statements of Financial Position as at 31 March 2017 (continued)

		<b>Unaudited</b> <b>31.03.2017</b> <b>RM'000</b>	Audited 31.12.2016 RM'000
<b>Non-Current Liabilities</b>			
Retirement benefit obligations		<b>3,875</b>	3,619
Loans and borrowings	23	<b>49,437</b>	47,320
Other payables		<b>9,793</b>	9,316
		<b>63,105</b>	60,255
<b>TOTAL LIABILITIES</b>		<b>235,494</b>	223,260
<b>Equity attributable to owners of the parent</b>			
Share capital	24	<b>248,986</b>	205,978
Share premium	24	-	43,008
Other reserves	25	<b>(24,191)</b>	(26,578)
Retained earnings	30	<b>56,085</b>	54,694
		<b>280,880</b>	277,102
Non-controlling interests		<b>(276)</b>	(207)
<b>TOTAL EQUITY</b>		<b>280,604</b>	276,895
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>516,098</b>	500,155
Net assets per share (RM)		<b>1.36</b>	1.34

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 2016 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 31 March 2017

	-----Attributable to owners of the parent-----										
	Total equity RM'000	Non Distributable (Note 24)		Distributable (Note 30)	Non Distributable			Total other reserves RM'000	Fair value change reserve RM'000	Others RM'000	Foreign currency exchange reserve RM'000
Total equity of the parent RM'000		Share capital RM'000	Share Premium RM'000	Retained earnings RM'000	(Note 25(b))	(Note 25(c i&ii))	(Note 25(a))				
<b>1 Jan 2017</b>	<b>276,895</b>	<b>277,102</b>	<b>205,978</b>	<b>43,008</b>	<b>54,694</b>	<b>(26,578)</b>	<b>17</b>	<b>(12,439)</b>	<b>(14,156)</b>	<b>(207)</b>	
Reclassification	-	-	<b>43,008</b>	<b>(43,008)</b>	-	-	-	-	-	-	
	<b>276,895</b>	<b>277,102</b>	<b>248,986</b>	<b>-</b>	<b>54,694</b>	<b>(26,578)</b>	<b>17</b>	<b>(12,439)</b>	<b>(14,156)</b>	<b>(207)</b>	
Comprehensive profit	1,451	1,391	-	-	1,391	-	-	-	-	60	
Other comprehensive income	2,258	2,387	-	-	-	2,387	30	-	2,357	(129)	
<b>Total comprehensive income</b>	<b>3,709</b>	<b>3,778</b>	<b>-</b>	<b>-</b>	<b>1,391</b>	<b>2,387</b>	<b>30</b>	<b>-</b>	<b>2,357</b>	<b>(69)</b>	
<b>31 March 2017</b>	<b>280,604</b>	<b>280,880</b>	<b>248,986</b>	<b>-</b>	<b>56,085</b>	<b>(24,191)</b>	<b>47</b>	<b>(12,439)</b>	<b>(11,799)</b>	<b>(276)</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 2016 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 31 March 2016

	-----Attributable to owners of the parent-----									
	----- -----						----- -----			
	-Non istributable -		Distributable		-----Non Distributable-----				Non- controlling interest RM'000	
(Note24)	(Note 24)	(Note 30)		(Note 25(b))	(Note 25 (c(i))	(Note25(a))				
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		
<b>1 Jan 2016</b>	<b>305,548</b>	<b>304,418</b>	<b>205,978</b>	<b>43,008</b>	<b>76,277</b>	<b>(20,845)</b>	<b>37</b>	<b>(9,898)</b>	<b>(10,984)</b>	<b>1,130</b>
Comprehensive loss	(928)	(873)	-	-	(873)	-	-	-	-	(55)
Other comprehensive income	5,794	3,089	-	-	-	3,089	2	-	3,087	2,705
<b>Total comprehensive income</b>	<b>4,866</b>	<b>2,216</b>	<b>-</b>	<b>-</b>	<b>(873)</b>	<b>3,089</b>	<b>2</b>	<b>-</b>	<b>3,087</b>	<b>2,650</b>
<b>31 March 2016</b>	<b>310,414</b>	<b>306,634</b>	<b>205,978</b>	<b>43,008</b>	<b>75,404</b>	<b>(17,756)</b>	<b>39</b>	<b>(9,898)</b>	<b>(7,897)</b>	<b>3,780</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 2016 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 31 March 2017

	<b>CUMULATIVE QUARTER</b>	
	<b>31.03.2017</b>	31.03.2016
	<b>RM'000</b>	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	<b>38,653</b>	38,069
Cash payments to suppliers and contractors	<b>(28,347)</b>	(15,378)
Cash payments to employees and for expenses	<b>(14,959)</b>	(17,505)
Cash (used in)/generated from operations	<b>(4,653)</b>	5,186
Net income tax received/(paid)	<b>258</b>	(113)
Net (used in)/cash generated from operating activities	<b>(4,395)</b>	5,073
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(13)</b>	(1,568)
Net cash used in investing activities	<b>(13)</b>	(1,568)

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 2016 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 31 March 2017 (continued)

	CUMULATIVE QUARTER	
	31.03.2017	31.03.2016
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Drawdown of term loans	-	2,334
Repayment of term loans and finance lease	(3,234)	(3,519)
Repayment of obligation under finance leases	(35)	(933)
Loan interest	(249)	(2,620)
Net cash used in financing activities	<u>(3,518)</u>	<u>(4,738)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,926)</b>	<b>(1,233)</b>
Cash and cash equivalents at beginning of period	<u>2,121</u>	<u>586</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>(5,805)</u></b>	<b><u>(647)</u></b>
<b>Represented by:</b>		
Cash and bank balances	28,266	29,258
Bank overdrafts	(34,071)	(29,905)
	<u>(5,805)</u>	<u>(647)</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 2016 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 2016. 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 2016.

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 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016. FRSs, Amendments to FRSs and IC Interpretations issued that become effective for annual periods beginning on or after 1 January 2017:-

<b>Description</b>	<b>Effective date</b>
Amendments to FRS107: Disclosure Initiative	1 January 2017
Amendments to FRS112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

#### Amendments to FRS 107: Disclosure Initiative

The amendments of FRS 107 Statements of Cash Flows require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual period beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

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## 1 Basis of preparation (continued)

### Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Entities are required to apply the amendments retrospectively. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted.

### Amendments to FRS 2: Clarification and Measurement of Share-based Payment Transactions

The amendments to FRS 2 address three main areas:

- (a) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- (b) The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- (c) Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

### FRS 9: Financial Instruments

The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of 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. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

## **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. 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.

**Malaysia Financial Reporting Standards (MFRS Framework) (continued)**

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.

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.

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## Malaysia Financial Reporting Standards (MFRS Framework) (continued)

### 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.

## 2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 was not qualified.

## 3 Seasonal or cyclical factors

The Group's performances were not materially affected by any significant seasonal or cyclical factors for the current period.

## 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 current quarter under review.

## 5 Changes in estimates

There were no materials changes in estimates of amounts reported in prior interim periods that have a material effect in the current quarter results.

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### 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 quarter for the Group.

### 9 Segmental information

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

	CUMULATIVE QUARTER 3 MONTHS ENDED	
	31.03.2017 RM'000	31.03.2016 RM'000
<b>Segment revenue</b>		
Investment holding	405	624
Property development	17,689	10,563
Manufacturing	15,154	10,094
Construction	5,517	784
Others	970	1,260
	<u>39,735</u>	<u>23,325</u>
Elimination	<u>(1,796)</u>	<u>(1,581)</u>
<b>Revenue</b>	<u>37,939</u>	<u>21,744</u>
<b>Segment results</b>		
Investment holding	(1,387)	(1,425)
Property development	5,569	1,154
Manufacturing	837	(2,213)
Construction	69	(332)
Others	(186)	(131)
	<u>4,902</u>	<u>(2,947)</u>
Elimination	<u>(297)</u>	<u>1,798</u>
<b>Sub Total</b>	<u>4,605</u>	<u>(1,149)</u>
Finance costs	(1,939)	(1,383)
Share of (losses)/profits of associates	(401)	1,215
<b>Profit/(loss) before tax</b>	<u>2,265</u>	<u>(1,317)</u>

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## 10 Changes in the composition of the Group

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

## 11 Significant and subsequent events

On 5 May 2017, the Company's adviser, RHB Investment Bank had on behalf of the Board announced that Bursa Malaysia resolved to approve the followings:-

- a) 80,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition;
- b) Listing of up to 114,391,200 new Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- c) Admission to the Official List and listing of up to 114,391,200 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- d) Listing of up to 114,391,200 new Pasdec Shares to be issued pursuant to the exercise of Warrants.

The approval granted by Bursa Securities is subject to compliance of certain conditions.

## 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 2016.

## 13 Capital commitments of the Group

	<b>Current Quarter 31.03.2017 RM'000</b>	<b>Preceding Quarter 31.12.2016 RM'000</b>
Capital expenditure Approved and contracted for: Property, plant and equipment	<u><b>74,334</b></u>	<u><b>75,235</b></u>

## 14 Review of performance

- a) Property development sector

Property sector contributed 47% to the Group's turnover for the current quarter under. The registered turnover was RM17.69 million compared to RM10.56 million for the same period last year, while the profit for the current quarter was RM5.57 million against RM1.15 million for the same quarter last year.

The performance was attributable to improved progress and sales as at the reporting date compared to the same date last year.

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## 14 Review of performance (continued)

### b) Manufacturing sector

The current reported turnover was RM15.15 million compared to RM10.09 million for the first quarter last year attributable to higher orders placed by a customer.

In line with the increase in revenue, the Group registered an operating profit of RM837 thousands compared to a loss of RM2.21 million for the corresponding quarter last year.

### c) Construction

The project to construct a feeder bus depot had contributed RM4.24 million turnover to the Group and an operating profit of RM221 thousands for the period under review.

## 15 Review of current quarter result against preceding quarter

	<b>Current Quarter 31.03.2017 RM'000</b>	<b>Preceding Quarter 31.12.2016 RM'000</b>
<b>Turnover</b>	<b>37,939</b>	35,154
<b>Profit/(loss) before tax</b>	<b><u>2,265</u></b>	<u>(19,582)</u>

The property and manufacturing activities had boosted the current quarter turnover as well as the current quarter profit before tax.

On the other hand, the loss in the immediate preceding quarter was due to certain costs and impairment losses.

## 16 Prospects for the current financial year

Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 31 December 2017.

## 17 Profit forecast and profit guarantee

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



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### 18 Disposal and exchange of investment securities

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

### 19 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended 31.03.2017	31.03.2016	3 months ended 31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	814	6	814	6
Foreign income tax	-	(395)	-	(395)
	<b>814</b>	<b>(389)</b>	<b>814</b>	<b>(389)</b>

### 20 Sale of property, plant and equipment

During the quarter under review, there was no major disposal of property, plant and equipment.

### 21 Corporate proposals

There was no corporate proposal announced and pending completion during the quarter under review except that was disclosed in note 11.

### 22 Investment securities

As at 31 March 2016, the available-for-sale financial assets position is as follows:

	As at 31.03.2017 RM'000		As at 31.03.2016 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
Shares quoted in Malaysia	6	6	15	15
Unit trusts quoted in Malaysia	41	41	473	473
	<b>47</b>	<b>47</b>	<b>488</b>	<b>488</b>

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### 23 Loans and borrowings

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

	<b>As at 31.03.2017 RM'000</b>	As at 31.03.2016 RM'000
Current loans and borrowings		
- secured	<b>80,335</b>	48,854
Noncurrent loans and borrowings		
- secured	<b>49,437</b>	56,648
<b>Total loans and borrowings</b>	<b>129,772</b>	105,502

### 24 Share capital and share premium

Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM43,008 thousands for the purposes set out in Section 618(3) of the CA 2016.

### 25 Other reserves

#### a) Foreign currency exchange reserve

The foreign currency exchange deficit 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 change reserve

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

#### b) Others

The others represent:-

i) 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 RM9,898 thousands was reflected in equity as premium paid on acquisition on non-controlling interest.

ii) Capital reserve of RM2, 451 thousands on acquisition of operation and Employee Stocks Option Scheme of an associate.

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### 26 Off balance sheet financial instruments

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

### 27 Material litigation

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

### 28 Dividend

There was no dividend declared for the quarter under review.

### 29 Earnings/ (loss) per share

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
<b>Basic earnings/( loss) per share</b>				
Earnings /(loss) attributable to owners of the parent (RM'000)	<b>1,391</b>	(873)	<b>1,391</b>	(873)
Number of shares at the beginning of the period (unit '000)	<b>205,978</b>	205,978	<b>205,978</b>	205,978
Basic earnings/(loss) per share (sen)	<b>0.68</b>	(0.42)	<b>0.68</b>	(0.42)

### 30 Realised and unrealised retained earnings disclosure

	Unaudited 31.03.2017 RM'000	Audited 31.12.2016 RM'000
Realised	<b>(155,265)</b>	(158,055)
Unrealised	<b>(2,387)</b>	-
	<b>(157,652)</b>	(158,055)
Share of retained earnings of associates		
-Realised	<b>(252)</b>	551
	<b>(157,904)</b>	(157,504)
Less:		
Consolidation adjustments	<b>(213,989)</b>	(212,198)
Retained earnings c/f	<b>56,085</b>	54,694

### 31 Comparative figures

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