

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

**Financial Statements**  
**as at 30 June 2020**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	6,184	29,269	11,292	62,594
Cost of sales	(3,605)	(24,903)	(5,501)	(50,152)
<b>Gross profit</b>	<b>2,579</b>	<b>4,366</b>	<b>5,791</b>	<b>12,442</b>
<b>Other items of income</b>				
Interest income	54	382	124	790
Other income	674	1,620	737	1,972
<b>Other items of expense</b>				
Personnel expenses	(856)	(4,071)	(1,914)	(8,108)
Other expenses	(1,632)	(3,343)	(4,505)	(8,931)
Finance costs	(275)	(3,012)	(1,005)	(5,786)
Share of profits of associates	283	41	681	241
<b>Profit/(loss) before tax from continuing operations</b>	<b>827</b>	<b>(4,017)</b>	<b>(91)</b>	<b>(7,380)</b>
Taxation (Note B5)	(276)	277	(276)	-
<b>Profit/(loss) from continuing operations, net of tax</b>	<b>551</b>	<b>(3,740)</b>	<b>(367)</b>	<b>(7,380)</b>
<b>Loss from discontinued operations</b>	<b>(8,877)</b>	-	<b>(11,414)</b>	-
<b>Loss net of tax</b>	<b>(8,326)</b>	<b>(3,740)</b>	<b>(11,781)</b>	<b>(7,380)</b>

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Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2020 (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
<b>Other comprehensive loss</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net changes in fair value:				
Investments	4	(4)	(53)	26
Foreign currency translation	3,575	(1,563)	2,889	(1,435)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement loss on defined benefit plan	(253)	(30)	(146)	(118)
<b>Other comprehensive income/(loss) , net of tax</b>	<b>3,326</b>	<b>(1,597)</b>	<b>2,690</b>	<b>(1,527)</b>
<b>Total comprehensive loss for the year, net of tax</b>	<b>(5,000)</b>	<b>(5,337)</b>	<b>(9,091)</b>	<b>(8,907)</b>
<b>Loss attributable to:</b>				
Owners of the parent				
- Continuing operations	(251)	(2,576)	(342)	(5,754)
- Discontinued operation	(3,383)	-	(5,920)	-
	<b>(3,634)</b>	<b>(2,576)</b>	<b>(6,262)</b>	<b>(5,754)</b>
Non-controlling interests	(4,692)	(1,164)	(5,519)	(1,626)
	<b>(8,326)</b>	<b>(3,740)</b>	<b>(11,781)</b>	<b>(7,380)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent				
- Continuing operations	3,309	(3,934)	2,348	(6,759)
- Discontinued operation	(3,862)	-	(6,399)	-
	<b>(553)</b>	<b>(3,934)</b>	<b>(4,051)</b>	<b>(6,759)</b>
Non-controlling interests	(4,447)	(1,403)	(5,040)	(2,148)
	<b>(5,000)</b>	<b>(5,337)</b>	<b>(9,091)</b>	<b>(8,907)</b>
<b>Losses per share attributable to owners of the Company (Note B15)</b>				
Basic (sen)	<b>(0.91)</b>	<b>(0.65)</b>	<b>(1.56)</b>	<b>(1.44)</b>

**Condensed Consolidated Statements of Financial Position  
as at 30 June 2020**

	Notes	Unaudited 30.06.2020 RM'000	Unaudited 31.12.2019 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		11,440	10,858
Work in progress		16,478	13,686
Land held for property development		145,586	145,586
Investment properties		55,448	57,149
Investments in associates		4,382	3,702
Investment securities	B8	345	398
		<u>233,679</u>	<u>231,379</u>
<b>Current Assets</b>			
Property development costs		87,242	87,347
Inventories		87,501	90,606
Trade receivables	B9	23,324	15,217
Other receivables		5,902	14,266
Other current assets		95	83
Cash and bank balances		18,355	19,190
Tax recoverable		4,297	6,825
		<u>226,716</u>	<u>233,534</u>
Assets of disposal group classified as held of sale		36,919	51,280
		<u>497,314</u>	<u>516,193</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Retirement benefit obligations		548	381
Contract liabilities		445	385
Loans and borrowings	B10	19,356	45,236
Overdrafts		16,689	14,357
Trade payables		36,673	22,481
Other payables		28,453	33,241
Tax payable		276	175
		<u>102,440</u>	<u>116,256</u>
Liabilities of disposal group classified as held of sale		79,141	74,835
		<u>181,581</u>	<u>191,091</u>
<b>NET CURRENT ASSETS</b>		<u>45,135</u>	<u>117,278</u>

**PASDEC HOLDINGS BERHAD**(Incorporated in Malaysia)**Condensed Consolidated Statements of Financial Position  
as at 30 June 2020 (continued)**

	Notes	<b>Unaudited 30.06.2020 RM'000</b>	<b>Unaudited 31.12.2019 RM'000</b>
<b>Non-Current Liabilities</b>			
Retirement benefit obligations		1,872	2,150
Loans and borrowings	B10	<u>6</u>	<u>6</u>
		<b>1,878</b>	<b>2,156</b>
<b>TOTAL LIABILITIES</b>		<b><u>183,459</u></b>	<b><u>193,247</u></b>
<b>NET ASSETS</b>		<b><u>313,855</u></b>	<b><u>322,946</u></b>
<b>Equity attributable to owners of the parent</b>			
Share capital	B11	327,693	327,693
Other reserves	B12	502	(1,855)
(Accumulated losses)/ retained earnings		<u>(3,174)</u>	<u>3,234</u>
		<b>325,021</b>	<b>329,072</b>
Non-controlling interests		<u>(11,166)</u>	<u>(6,126)</u>
<b>TOTAL EQUITY</b>		<b><u>313,855</u></b>	<b><u>322,946</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>497,314</u></b>	<b><u>516,193</u></b>
Net assets per share (RM)		0.78	0.81

Condensed Consolidated Statement of Changes in Equity  
for the period ended 30 June 2020

	-----Attributable to owners of the parent-----					-----Non Distributable-----				Non- controlling interest RM'000
	Non Distributable		Distributable			Note B12(a)	Note B12(b)	Note B12(b)	Note B12(c)	
	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000					
<b>1 January 2020</b>	<b>322,946</b>	<b>329,072</b>	<b>327,693</b>	<b>3,234</b>	<b>(1,855)</b>	<b>(43)</b>	<b>(9,377)</b>	<b>5,720</b>	<b>1,845</b>	<b>(6,126)</b>
Loss for the period	(11,781)	(6,262)	-	(6,262)	-	-	-	-	-	(5,519)
Other comprehensive income/(loss)	2,690	2,211	-	(146)	2,357	(53)	-	-	2,410	479
<b>Total comprehensive (loss)/income</b>	<b>(9,091)</b>	<b>(4,051)</b>	<b>-</b>	<b>(6,408)</b>	<b>2,357</b>	<b>(53)</b>	<b>-</b>	<b>-</b>	<b>2,410</b>	<b>(5,040)</b>
<b>30 June 2020</b>	<b>313,855</b>	<b>325,021</b>	<b>327,693</b>	<b>(3,174)</b>	<b>502</b>	<b>(96)</b>	<b>(9,377)</b>	<b>5,720</b>	<b>4,255</b>	<b>(11,166)</b>

**Condensed Consolidated Statement of Changes in Equity  
for the period ended 30 June 2019**

	-----Attributable to owners of the parent-----									
	Non Distributable		Distributable			-----Non Distributable-----				Non- controlling interest
	Total equity	Total equity attributable to owners of the parent	Share capital	Retained earnings	Total other reserves	Note B12(a)  Fair value change reserve	Note B12(b)  Others	Note B12(b)  Warrant reserve	Note B12(c)  Foreign currency exchange reserve	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>1 January 2019</b>	<b>343,147</b>	<b>347,714</b>	<b>327,693</b>	<b>22,121</b>	<b>(2,100)</b>	<b>(72)</b>	<b>(9,347)</b>	<b>5,720</b>	<b>1,599</b>	<b>(4,567)</b>
Loss for the period	(7,380)	(5,754)	-	(5,754)	-	-	-	-	-	(1,626)
Other comprehensive profit/ (loss)	(1,527)	(1,005)	-	(118)	(887)	26	-	-	(913)	(522)
<b>Total comprehensive (loss)/ income</b>	<b>(8,907)</b>	<b>(6,759)</b>	<b>-</b>	<b>(5,872)</b>	<b>(887)</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>(913)</b>	<b>(2,148)</b>
<b>Transaction with shareholders</b>										
Strike-off companies	2,094	2,094	-	2,094	-	-	-	-	-	-
<b>30 June 2019</b>	<b>336,334</b>	<b>343,049</b>	<b>327,693</b>	<b>18,343</b>	<b>(2,987)</b>	<b>(46)</b>	<b>(9,347)</b>	<b>5,720</b>	<b>686</b>	<b>(6,715)</b>

**Condensed Consolidated Statements of Cash Flow  
for the period ended 30 June 2020**

	<b>CUMULATIVE QUARTER</b>	
	<b>30.06.2020</b>	30.06.2019
	<b>RM'000</b>	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	35,519	90,265
Cash payments to suppliers and contractors	(28,556)	(58,734)
Cash payments to employees and for expenses	(5,071)	(26,880)
Cash generated from operations	<u>1,892</u>	4,651
Net income tax & GST received / (net income tax paid)	4,724	(899)
Net cash generated from operating activities	<u>6,616</u>	<u>3,752</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of investment property	-	338
Interest received	-	61
Purchase of property, plant and equipment	-	(110)
Proceed from sale of property, plant and equipment	-	7
Net cash generated from investing activities	<u>-</u>	<u>296</u>
<b>Cash flows from financing activities</b>		
Drawdown of financing	3,399	-
Repayment to other financial obligations	-	(2,422)
Repayment of term loans	(5,974)	(16,837)
Repayment of obligation under finance leases	(40)	(57)
Loan interest	(4,900)	(1,312)
Net cash used in financing activities	<u>(7,515)</u>	<u>(20,628)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(899)</b>	<b>(16,580)</b>
Cash and cash equivalents at beginning of period	<u>(13,548)</u>	9,243
<b>Cash and cash equivalents at end of period</b>	<b><u>(14,447)</u></b>	<b><u>(7,337)</u></b>
<b>Represented by:</b>		
<b>Continuing operations</b>		
Cash and bank balances	18,355	18,609
Bank overdrafts	(16,689)	(25,946)
	<u>1,666</u>	<u>(7,337)</u>
<b>Discontinued operations</b>		
Cash and bank balances	555	-
Bank overdrafts	(16,668)	-
	<u>(16,113)</u>	-
<b>Cash and cash equivalents at end of period</b>	<b><u>(14,447)</u></b>	<b><u>(7,337)</u></b>



Interim Financial Report for the period ended 30 June 2020

**PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial report has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The audited financial statements for the year ended 31 December 2019 is not ready at the date of issuance of this interim financial statements. The 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 Pasdec Holdings Berhad ("**Pasdec**") and its subsidiaries ("**Group**") since the year ended 31 December 2019.

For the period ended 30 June 2020, the Group had reported a net loss of RM11.78 million. The Company provided corporate guarantees totalling BWP167.10 million and ZAR8 million (approximately RM62.67 million) to the preference shareholders, lenders, creditors of Pasdec Automotive Technologies (Botswana) (Pty) Ltd ("PAT BW"), a subsidiary of Pasdec. The said subsidiary has reported a net loss of RM10.24 million, net current liabilities of RM102.69 million and negative cash and cash equivalents of RM16.14 million. The said subsidiary has entered into a term loan agreement with the certain bank and did not fulfill the financial covenants as required in the loan agreement for a credit line of BWP45 million (RM16.35 million). However, note that Pasdec Resources SA Limited as a Group net loss is RM11.46 million.

The subsidiary had breached the financial covenants of the loans and borrowings resulted in the loans and borrowings amounting RM61.63 million being reclassified to current liabilities as at 30 June 2020. Despite the said breach covenants, the lenders have not called upon an event of default.

These events or conditions indicate that a continued material uncertainty exists that may cast significant doubt on the Group's and Pasdec's ability to continue as a going concern and, therefore, they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The Directors of the Company announced on 17 July 2020 a proposed deemed disposal of the entire investment in PAT BW in order to discharge the Company from its corporate guarantees provided to the preference shareholders, lenders and certain creditors of PAT BW.

The Company will dissolve Pasdec Resources SA Ltd ("PRSA") and Pasdec Automotive Technologies (Pty) Ltd ("PAT SA") after the divestment of PAT BW.

The Directors of the Company believe that the plan will be implemented successfully and the Group will be able to continue as going concern.

## A2. Significant accounting policies

The significant accounting policies and methods of computation applied in the unaudited condensed financial statement are consistent with those in audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following MFRs and Amendment to MFRs and Interpretation.

The Group intends to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have material effect on the financial statements:-

### **Amendments/ Improvements to MFRSs effective for the financial period beginning on or after 1 January 2020**

MFRS 2	Share Based Payments
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures: Interest Rate Benchmark Reform
MFRS 9	Financial Instruments: Interest Rate Benchmark Reform
MFRS 101	Presentation of Financial Statements: Definition of Material
MFRS 108	Accounting policies, Changes in Accounting Estimates and Errors
MFRS 134	Interim Financial Reporting
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

## A3. Standards and interpretations issued but yet effective

The standards and interpretation that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for the financial period beginning on or after

### **New MFRSs**

MFRS 17	Insurance Contracts	1 January 2021
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### **Amendments/Improvements to MFRSs**

MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

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**A4. Auditors' report on preceding annual financial statements**

The Auditors' Report on the preceding financial statements is not available as the audited financial statements for the year ended 31 December 2019 have yet to be issued at the date of this report.

**A5. Seasonal or cyclical factors**

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

**A6. 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 during the current quarter under review.

**A7. Changes in estimates**

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

**A8. 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 period except for those disclosed in the Condensed Consolidated Statements of Cash Flow.

**A9. Dividends paid**

There were no dividends paid during the current quarter under review.

**A10. Valuation of property, plant and equipment**

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

**A11. Segmental information**

The Group is principally involved in property development, construction, manufacturing and investment holdings (including offshore) & property management (others) activities.

The reportable segments of the Group are as follows:-

- a) Continued operations - property, construction and others activities; and
- b) Discontinued operations - manufacturing activities.

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**A12. Segmental information**

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

	<b>CUMULATIVE PERIOD</b>					
	<b>6 MONTHS ENDED 30 JUNE 2020</b>					
	Properties	Construc- tion	Others	Elimina- tion	Total	
RM'000	RM'000	RM'000	RM'000	Continuing RM'000	Discontinued RM'000	
<b>REVENUE :</b>						
External sales	11,275	6	11	-	11,292	18,168
Inter-segment sales	25	302	1,741	(2,068)	-	-
	<b>11,300</b>	<b>308</b>	<b>1,752</b>	<b>(2,068)</b>	<b>11,292</b>	<b>18,168</b>
<b>SEGMENT RESULTS:</b>						
Operating profit/(loss)	1,671	(435)	(2,201)	1,074	109	(7,725)
Interest income	390	2	1,003	(1,271)	124	-
Finance costs	(1,179)	(70)	(621)	865	(1,005)	(3,689)
Share of results of associates	-	-	681	-	681	-
<b>Profit/(loss) before tax</b>	<b>882</b>	<b>(503)</b>	<b>(1,138)</b>	<b>668</b>	<b>(91)</b>	<b>(11,414)</b>
Taxation	(276)	-	-	-	(276)	-
<b>Profit /(loss) net of tax</b>	<b>606</b>	<b>(503)</b>	<b>(1,138)</b>	<b>668</b>	<b>(367)</b>	<b>(11,414)</b>
<b>Assets and Liabilities</b>						
Segment assets	437,093	5,575	334,454	(339,379)	437,743	36,364
Cash and bank balances	5,948	511	5,988	-	12,447	555
Deposit with licensed banks	4,730	116	1,062	-	5,908	-
Tax recoverable	4,024	2	271	-	4,297	-
<b>Total assets</b>	<b>451,795</b>	<b>6,204</b>	<b>341,775</b>	<b>(339,379)</b>	<b>460,395</b>	<b>36,919</b>
Segment liabilities	163,006	7,315	154,034	(256,364)	67,991	839
Tax payable	276	-	-	-	276	-
Overdrafts	16,474	215	-	-	16,689	16,668
Loans and borrowings	10,442	-	8,920	-	19,362	61,634
<b>Total liabilities</b>	<b>190,198</b>	<b>7,530</b>	<b>162,954</b>	<b>(256,364)</b>	<b>104,318</b>	<b>79,141</b>
Capital expenditure	-	-	-	-	-	-
Depreciation	287	4	615	11	917	134

**A12. Segmental information (continued)**

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

<b>CUMULATIVE PERIOD</b>						
<b>6 MONTHS ENDED 30 JUNE 2019</b>						
	<b>Properties</b>	<b>Manufacturing</b>	<b>Construction</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Continuing</b>
						<b>RM'000</b>
<b>REVENUE :</b>						
External sales	13,857	46,077	2,646	14	-	62,594
Inter-segment sales	15	-	1,402	2,254	(3,671)	-
	<b>13,872</b>	<b>46,077</b>	<b>4,048</b>	<b>2,268</b>	<b>(3,671)</b>	<b>62,594</b>
<b>SEGMENT RESULTS:</b>						
Operating profit/(loss)	240	(1,880)	1,621	1,329	(3,935)	(2,625)
Interest income	311	-	2	718	(241)	790
Finance costs	(1,117)	(3,928)	(41)	(941)	241	(5,786)
Share of results of associates	-	-	-	241	-	241
<b>(Loss)/profit before tax</b>	<b>(566)</b>	<b>(5,808)</b>	<b>1,582</b>	<b>1,347</b>	<b>(3,935)</b>	<b>(7,380)</b>
Taxation	-	-	-	-	-	-
<b>(Loss)/profit net of tax</b>	<b>(566)</b>	<b>(5,808)</b>	<b>1,582</b>	<b>1,347</b>	<b>(3,935)</b>	<b>(7,380)</b>
<b>Assets and Liabilities</b>						
Segment assets	462,904	58,982	13,243	350,578	(374,056)	511,651
Cash and bank balances	7,215	1,354	347	3,939	-	12,855
Deposit with licensed banks	4,593	-	112	1,049	-	5,754
Tax recoverable	4,911	-	2	296	-	5,209
<b>Total assets</b>	<b>479,623</b>	<b>60,336</b>	<b>13,704</b>	<b>355,862</b>	<b>(374,056)</b>	<b>535,469</b>
Segment liabilities	191,516	69,808	10,825	26,171	(191,018)	107,302
Overdrafts	7,335	17,937	674	-	-	25,946
Loans and borrowings	15,111	35,251	-	15,525	-	65,887
<b>Total liabilities</b>	<b>213,962</b>	<b>122,996</b>	<b>11,499</b>	<b>41,696</b>	<b>(191,018)</b>	<b>199,135</b>
Capital expenditure	54	-	1	55	-	110
Depreciation	316	1,250	11	602	(25)	2,154

**A13. Events after the reporting period**

There were no material events subsequent to the reporting date up to 28 August 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Financial Report except for a corporate proposal announcement in Note A18.

**A14. Changes in the composition of the Group**

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

**A15. 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 2019.

**A16. Capital commitments of the Group**

	<b>As at 30.06.2020 RM'000</b>	<b>As at 31.03.2020 RM'000</b>
Capital expenditure Approved and contracted for: Property, plant and equipment	<b>69,033</b>	<b>70,011</b>

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**A17. Significant events and prospects**

The COVID-19 pandemic throughout the world has a significant impact on the overall economy including property development and construction activities. On 16 March 2020, the Malaysian Government issued the Movement Control Order ("MCO") from 18 to 31 March 2020 as preventive measure against the spread of COVID-19. All governments and private premises except for those involved in the provision of essential services and those industries given special permission to operate.

The Government allowed development and construction activities during MCO with the special permission starting 10 June 2020 with certain Standard Operating Procedures ("SOP") be followed.

Despite continuous sentiment of the property industry, the Group believes Bank Negara Malaysia reducing the overnight policy rate to 1.75% will enhance potential buyers. Additionally, the Government announcement on Real Property Gain Tax exemption for Malaysians for disposal of up to 3 properties between 1 June, 2020 and 31 December, 2021, will aid to spur the property market.

Government will also introduce several incentives to stimulate the property market and to provide financial relief to home buyers. Home Ownership Campaign will be re-introduced with stamp duty exemption.

The Group will continue to monitor and assess the impacts and at the same time comply to all SOPs to curb the spread of the pandemic.

**A18. Corporate proposals announced**

On 17 July 2020 and 21 July 2020, Pasdec had announced a proposed deemed disposal by Pasdec Automotive Technologies (PTY) Limited of the entire equity interest in its wholly-owned subsidiary, Pasdec Automotive Technologies (Botswana) (PTY) Limited.

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Interim Financial Report for the period ended 30 June 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Quarter	Preceding year Quarter			Current period to-date	Preceding period to-date		
	30.06.2020	30.06.2019	RM'000	%	30.06.2020	30.06.2019	RM'000	%
<b>Continuing operations</b>								
Revenue	6,184	29,269	(23,085)	(79)	11,292	62,594	(51,302)	(82)
Gross profit	2,579	4,366	(1,787)	(41)	5,791	12,442	(6,651)	(53)
Profit/(loss) before interest & tax	1,102	(1,005)	2,107	210	914	(1,594)	2,508	157
Profit/(loss) before tax	827	(4,017)	4,844	121	(91)	(7,380)	7,289	99
Profit/(loss) net of tax	551	(3,740)	4,291	115	(367)	(7,380)	7,013	95
<b>Discontinued operations</b>								
Loss net of tax	(8,877)	-	(8,877)	(100)	(11,414)	-	(11,414)	(100)
<b>Loss attributable to ordinary equity holders of the parent</b>	<b>(3,634)</b>	<b>(2,576)</b>	<b>(1,058)</b>	<b>(41)</b>	<b>(6,262)</b>	<b>(5,754)</b>	<b>(508)</b>	<b>(9)</b>

Overview

The Group registered revenue of RM11.29 million during the period under review compared to RM62.59 million last year, which inclusive of manufacturing revenue of RM46.08 million.

The registered loss for the current period was RM0.37 million compared to RM7.38 million for the corresponding period last year, which inclusive of loss from manufacturing segment of RM5.81 million.

Results by Segments

Property segment registered revenue of RM11.28 million for the current period compared with RM13.86 million for the corresponding period last year, lower by 11% mainly due to MCO financial impact stemming from temporary halted operations.

This segment had registered operating profit of RM1.67 million during the period compared to profit of RM0.24 million for the same period last year. Higher results were attributable to reduced overhead starting February this year when voluntary separation scheme to employees effected. Additionally, no impairment losses were recorded during the current period under review.

Manufacturing segment in South Africa and Botswana had been categorised as discontinued operations.

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**B2. Comparison of current quarter results with the preceding quarter**

**2Q, 2020 vs Q1,2020**

	Current Quarter 30.06.2020 RM'000	Immediate Preceding Quarter 31.03.2020 RM'000	Changes	
			RM'000	%
<b>Continuing operations</b>				
Revenue	6,184	5,108	1,076	21
Gross profit	2,579	3,212	(633)	(20)
Profit/(loss) before interest & tax	1,102	(188)	1,290	(686)
Profit/(loss) before tax	827	(918)	1,745	190
Profit/(loss) net of tax	551	(918)	1,469	160
<b>Discontinued operations</b>				
Loss net of tax	(8,877)	(2,537)	(6,340)	(100)
<b>Loss attributable to ordinary equity holders of the parent</b>	(3,634)	(2,628)	(1,006)	(38)

<u>Revenue</u>	Current Quarter Q2,2020 RM'million	Immediate Preceding Quarter Q1, 2020 RM'million
<b>Segments</b>		
<b>Continuing operations</b>		
Property development	6.18	5.11

During the quarter under review, the property segment recorded revenue was RM6.18 million as compared to RM5.11 million in the immediate proceeding quarter, increase by 21%.

As a result, loss attributable to Owners of the Group for the current quarter was loss RM3.63 million.

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**B3. Profit forecast and profit guarantee**

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

**B4. Notes to consolidated statement of comprehensive income**

	30.06.2020 RM'000	30.06.2019 RM'000
<b>Loss for the period is arrived at after charging</b>		
Depreciation	1,051	2,154
Interest expense	1,005	5,786
Allowance for expected credit loss:-		
Trade receivables	-	279
Struck-of companies:		
Impairment losses on investment	-	1,010
Impairment losses on receivables	-	7,087
Effect on strike off company	1,008	-
<b>And after crediting</b>		
Other income	737	1,972
Interest income	124	790
Reversal of allowance for expected credit loss:-		
Trade receivables	99	13
Other receivables	-	245

**B5. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current	(276)	(277)	(276)	-

**B6. Corporate proposal**

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

**B7. Status of utilisation of proceeds as at 30 June 2020 raised from the Rights Issue with Warrants are as follows:-**

a)

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimate Timeframe
1	Land premium	7,436	2,281	5,155	Within 3 months
2	Property development	18,000	14,696	3,304	Within 21 months
3	Working capital purpose	13,501	13,436	65	Within 9 months
4	Expenses for the Rights Issue with Warrants	1,100	1,100	-	Not applicable
	<b>Total</b>	<b>40,037</b>	<b>31,513</b>	<b>8,524</b>	

1. Land premium

Out of remaining RM5.16 million land premium, RM4.19 million(Note B7(c))is payable for the 60 acres of Muadzam Shah land, which is still pending issuance of land title from the Land Office.

2. Property development

The balance of RM3.30 million will be used for 7 new projects as mentioned below.

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**B7. Status of utilisation of proceeds as at 30 June 2020 raised from the Rights Issue with warrants are as follows:- (continued)**

New projects		Estimated GDV RM' million	Estimated date of commencement
1	Balok Perdana 3A Phase 7	16.17	October 2020
2	Balok Perdana Commercial 2A2	9.57	October 2020
3	Pasdec Damansara Zone 3A3	54.07	December 2021
4	Muadzam Shah Phase 1	30.67	April 2021
5	Pasdec Avenue	105.34	March 2021
6	Bandar Putra Package 6A9	34.32	September 2021
7	Harbour Park	173.71	May 2021
<b>Total</b>		<b>423.85</b>	

The amount to be allocated for each project has yet to be determined at this juncture, and is dependent on funding requirements of each project. Nonetheless, the Company will continue to provide updates on the status and details of the proceeds allocation, and the proceeds will be fully utilised within the stipulated time frame.

Completed projects		Estimated GDV RM' million	Stage of completion as at 30 June 2020 (%)
1	Balok Perdana 3A Phase 4&5	40.47	100%
2	Pasdec Damansara Package 4 (second phase)	22.16	100%
3	104 unit of one, two and three storey terrace house at Bandar Outra, located in Kuantan, Pahang	38.61	100%
<b>Total</b>		<b>101.24</b>	
<b>Grand total</b>		<b>525.09</b>	

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**B7. Status of utilisation of proceeds as at 30 June 2020 raised from the Rights Issue with Warrants are as follows:- (continued)**

b) 2 identified projects financed from the Rights Issues proceeds continued to progress. Status of the projects as at the reporting date was as follows:-

No	Property name	% Progress as at 30 June 2020	Expected completion
1	51 units of two and two-and-a-half storey terrace house at Vista Verde (Phase 2), located in Kuantan, Pahang.	99%	3Q,2020
3	15 units of double storey commercial shop office at Cenderawasih Pesona, located in Kuantan, Pahang.	95%	3Q,2020

c) The Group had on 31 January 2019 announced variation in the utilisation of proceeds raised from the Rights Issues as follows:

Particulars	Approved allocation	Actual spending as at 30 June 2020	Remaining to be utilised	Approved variation	Proposed variation
	RM'000	RM'000	RM'000	RM'000	RM'000
1 Land premium	7,436	2,281	4,188	967	(967)
2 Property development	18,000	14,696	3,304	-	-
3 Working capital	13,501	13,436	65	(967)	967
4 Expenses for Rights Issue	1,100	1,100	-	-	-
<b>Total</b>	<b>40,037</b>	<b>31,513</b>	<b>7,557</b>	<b>-</b>	<b>-</b>

**B8. Investment securities**

Fair Value through Other Comprehensive Income

	<b>As at 30.06.2020</b> <b>Carrying amount</b> <b>Market value of quoted investments</b> <b>RM'000</b>	<b>As at 30.06.2019</b> <b>Carrying amount</b> <b>Market value of quoted investments</b> <b>RM'000</b>
At fair value:		
Shares quoted in Malaysia	-	9
Unit trusts quoted in Malaysia	<b>345</b>	394
	<b>345</b>	403

**B9. Trade receivables**

The ageing analysis of the trade receivables for 30 June 2020 is as follows:

Ageing	Gross RM'000	Impairment RM'000	Net RM'000	%
Current	131	-	131	1%
Past due 30 -120 days	6,585	6	6,579	28%
Past due > 120 days	25,444	8,830	16,614	71%
<b>TOTAL</b>	<b>32,160</b>	<b>8,836</b>	<b>23,324</b>	<b>100%</b>

The Group did not impair some past due trade receivables as the Group was satisfied on its recovery, which was from property buyers. The banks or financial institutions would release the buyers' loans upon fulfilment of terms and conditions of loan agreements.

**B10. Loans and borrowings**

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

Secured facilities	Denomination	Short term RM'000	Long term RM'000	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000	Interest rates	Remarks
1) Overdraft	RM	16,689	-	16,689	8,009	7.85% - 9.35%	Working capital
2) Term loan	RM	12,008	-	12,008	16,508	6.35%- 8.00%	Working capital
3)Term loan	RM	7,331	-	7,331	13,999	3.82% - 4.22%	Investment
4) Finance lease	RM	17	6	23	129	2.42% - 3.00%	Purchase of motor vehicle
<b>TOTAL</b>		<b>36,045</b>	<b>6</b>	<b>36,051</b>	<b>38,645</b>		
<b>Disposal group</b>							
1) Overdraft	BWP	16,668	-	16,668	17,937	8.50%	Working capital
2) Term loan	BWP	34,986	-	34,986	11,184	4.00% - 9.0%	Purchase of plant & equipment
3) Redeemable preferences shares	BWP	26,648	-	26,648	24,067	4.00%	Capital expenditure and working capital
<b>TOTAL</b>		<b>78,302</b>	<b>-</b>	<b>78,302</b>	<b>53,188</b>		

**Note**

BWP : Botswana Pula (1 BWP = RM0.363254)

**B11. Share Capital**

	<b>As at 30.06.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
<b>Issued and fully paid</b>		
1 January	<u>327,693</u>	<u>327,693</u>

	<b>As at 30.06.2020 No of ordinary shares (‘000)</b>	<b>As at 31.12.2019 No of ordinary shares (‘000)</b>
<b>Issued and fully paid</b>		
1 January	<u>400,369</u>	<u>400,369</u>

**B12. Other reserves**

**a) 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 in a 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 of the non-controlling interest and share of revaluation reserve of an associate.

ii) Warrant reserve

The Warrants of RM5.72 million in respect of 114,391,200 free detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed at a fair value of RM0.05 per Warrant, listed and quoted on the main market of Bursa Securities on 11 July 2018.

**B12. Other reserves (continued)**

**c) 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.

**B13. Material litigation**

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

**B14. Dividend**

There was no dividend declared for the quarter under review.

**B15. Losses per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
<b>Basic losses per share</b>				
Losses attributable to owners of the parent (RM'000)	<b>(3,634)</b>	(2,576)	<b>(6,262)</b>	(5,754)
Number of weightage average shares (unit '000)	<b>400,369</b>	400,369	<b>400,369</b>	400,369
Basic losses per share (sen)	<b><u>(0.91)</u></b>	<u>(0.65)</u>	<b><u>(1.56)</u></b>	<u>(1.44)</u>

**B16. Comparative figures**

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

**B17. Authority for issue**

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By order of the Board

**Shakerah Enayetali**  
Group Corporate Secretary & Governance