

**PASDEC HOLDINGS BERHAD**  
Company no: 199501037920/367122-D  
**(Incorporated in Malaysia)**

**Financial Statements**  
**as at 30 September 2020**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	15,330	6,713	26,622	23,230
Cost of sales	(11,818)	(5,306)	(17,319)	(13,390)
<b>Gross profit</b>	<b>3,512</b>	<b>1,407</b>	<b>9,303</b>	<b>9,840</b>
<b>Other items of income</b>				
Interest income	154	730	278	1,520
Other income	1,164	3,491	1,901	3,599
<b>Other items of expense</b>				
Personnel expenses	(1,651)	(1,996)	(3,565)	(5,734)
Other expenses	(1,786)	(2,636)	(6,291)	(7,966)
Finance costs	(487)	(808)	(1,492)	(2,668)
Share of (losses)/profits of associates	(2,383)	172	(1,702)	413
<b>(Loss)/profit before tax from continuing operations</b>	<b>(1,477)</b>	<b>360</b>	<b>(1,568)</b>	<b>(996)</b>
Taxation (Note B5)	276	1,367	-	1,367
<b>(Loss)/profit from continuing operations, net of tax</b>	<b>(1,201)</b>	<b>1,727</b>	<b>(1,568)</b>	<b>371</b>
<b>(Loss)/profit from discontinued operations</b>	<b>(937)</b>	<b>3,989</b>	<b>(12,351)</b>	<b>(2,035)</b>
<b>(Loss)/profit net of tax</b>	<b>(2,138)</b>	<b>5,716</b>	<b>(13,919)</b>	<b>(1,664)</b>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
<b>Other comprehensive income/ (loss)</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net changes in fair value:				
Investments	5	(16)	(48)	10
Foreign currency translation	(1,863)	2,621	1,026	1,186
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement gain/(loss) on defined benefit plan	380	44	234	(74)
<b>Other comprehensive (loss)/income , net of tax</b>	<b>(1,478)</b>	<b>2,649</b>	<b>1,212</b>	<b>1,122</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b>(3,616)</b>	<b>8,365</b>	<b>(12,707)</b>	<b>(542)</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the parent				
- Continuing operations	(992)	4,275	(1,334)	375
- Discontinued operation	(3,228)	(1,854)	(9,148)	(1,854)
	(4,220)	2,421	(10,482)	(1,479)
Non-controlling interests	2,082	1,441	(3,437)	(185)
	(2,138)	3,862	(13,919)	(1,664)
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent				
- Continuing operations	(2,704)	6,165	(356)	1,260
- Discontinued operation	(3,705)	(2,091)	(10,104)	(2,091)
	(6,409)	4,074	(10,460)	(831)
Non-controlling interests	2,793	2,200	(2,247)	289
	(3,616)	6,274	(12,707)	(542)
<b>(Losses)/earning per share attributable to owners of the Company (Note B15)</b>				
Basic (sen)	(1.06)	0.60	(2.62)	(0.37)

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

	Notes	Unaudited 30.09.2020 RM'000	Audited 31.12.2019 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		11,204	12,274
Right-of-use assets		569	664
Work in progress		18,166	13,686
Land held for property development		145,586	145,586
Investment properties		54,223	55,331
Investments in associates		1,918	3,620
Marketable securities	B8	351	398
		<u>232,017</u>	<u>231,559</u>
<b>Current Assets</b>			
Property development costs		87,557	87,347
Inventories		77,263	90,607
Trade receivables	B9	28,776	21,293
Other receivables		4,471	8,184
Other current assets		2,230	2,577
Tax recoverable		4,298	6,203
Cash and bank balances		16,483	18,212
		<u>221,078</u>	<u>234,423</u>
Assets of disposal group classified as held of sale		<u>35,086</u>	<u>38,616</u>
		<u>256,164</u>	<u>273,039</u>
<b>TOTAL ASSETS</b>		<u>488,181</u>	<u>504,598</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Retirement benefit obligations		630	476
Contract liabilities		370	385
Loans and borrowings	B10	19,480	24,698
Overdrafts		15,459	14,357
Lease liabilities		313	365
Trade payables		37,133	22,867
Other payables		25,345	38,788
Tax payable		-	3
		<u>98,730</u>	<u>101,939</u>
Liabilities of disposal group classified as sale		<u>82,625</u>	<u>82,746</u>
		<u>181,355</u>	<u>184,685</u>
<b>NET CURRENT ASSETS</b>		<u>74,809</u>	<u>88,354</u>

**PASDEC HOLDINGS BERHAD** (Incorporated in Malaysia)

**Condensed Consolidated Statements of Financial Position  
as at 30 September 2020 (continued)**

	Notes	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.12.2019 RM'000</b>
<b>Non-Current Liabilities</b>			
Retirement benefit obligations		<b>1,732</b>	2,055
Loans and borrowings	B10	-	6
Lease liabilities		<b>306</b>	357
		<b>2,038</b>	2,418
<b>TOTAL LIABILITIES</b>		<b>183,393</b>	187,103
<b>NET ASSETS</b>		<b>304,788</b>	317,495
<b>Equity attributable to owners of the parent</b>			
Share capital	B11	<b>327,693</b>	327,693
Other reserves	B12	<b>1,263</b>	1,475
Accumulated losses		<b>(13,474)</b>	(3,226)
		<b>315,482</b>	325,942
Non-controlling interests		<b>(10,694)</b>	(8,447)
<b>TOTAL EQUITY</b>		<b>304,788</b>	317,495
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>488,181</b>	504,598
Net assets per share (RM)		0.76	0.79

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

	-----Attributable to owners of the parent-----									
	Non Distributable			Distributable		-----Non Distributable-----				Non- controlling interest RM'000
	Total equity	Total equity attributable to owners of the parent	Share capital	Accumulated losses	Total other reserves	Note B12(a)	Note B12(b)	Note B12(b)	Note B12(c)	
RM'000	RM'000	RM'000	RM'000	RM'000	Fair value change reserve RM'000	Others RM'000	Warrant reserve RM'000	Foreign currency exchange reserve RM'000		
<b>1 January 2020</b>	<b>317,495</b>	<b>325,942</b>	<b>327,693</b>	<b>(3,226)</b>	<b>1,475</b>	<b>(43)</b>	<b>(9,327)</b>	<b>5,720</b>	<b>5,125</b>	<b>(8,447)</b>
Loss for the period	(13,919)	(10,482)	-	(10,482)	-	-	-	-	-	(3,437)
Other comprehensive income/(loss)	1,212	22	-	234	(212)	(48)	-	-	(164)	1,190
<b>Total comprehensive (loss)/income</b>	<b>(12,707)</b>	<b>(10,460)</b>	<b>-</b>	<b>(10,248)</b>	<b>(212)</b>	<b>(48)</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>(2,247)</b>
<b>30 September 2020</b>	<b>304,788</b>	<b>315,482</b>	<b>327,693</b>	<b>(13,474)</b>	<b>1,263</b>	<b>(91)</b>	<b>(9,327)</b>	<b>5,720</b>	<b>4,961</b>	<b>(10,694)</b>

**PASDEC HOLDINGS BERHAD** (Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity**  
for the period ended 30 September 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)	Note B12(b)	Note B12(b)	Note B12(c)	Fair value change reserve		Others	Warrant reserve
RM'000	RM'000	RM'000	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>(2,101)</b>	<b>(72)</b>	<b>(9,348)</b>	<b>5,720</b>	<b>1,599</b>				<b>(4,567)</b>
Loss for the period	(1,664)	(1,479)	-	(1,479)	-	-	-	-	-	-	-	-	(185)
Other comprehensive income	1,122	885	-	(74)	959	10	-	-	949	-	-	-	237
Total comprehensive (loss)/ income	<b>(542)</b>	<b>(594)</b>	<b>-</b>	<b>(1,553)</b>	<b>959</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>949</b>				<b>52</b>
<b>30 September 2019</b>	<b>342,605</b>	<b>347,120</b>	<b>327,693</b>	<b>20,568</b>	<b>(1,142)</b>	<b>(62)</b>	<b>(9,348)</b>	<b>5,720</b>	<b>2,548</b>				<b>(4,515)</b>

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

	<b>CUMULATIVE QUARTER</b>	
	<b>30.09.2020</b>	30.09.2019
	<b>RM'000</b>	RM'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	53,249	125,199
Cash payments to suppliers and contractors	(35,813)	(82,490)
Cash payments to employees and for expenses	(22,592)	(33,582)
Cash (used in)/generated from operations	<u>(5,156)</u>	9,127
Net income tax & GST received/(net income tax paid)	4,638	(1,101)
Net cash (used in)/generated from operating activities	<u>(518)</u>	<u>8,026</u>
<b>Cash flows from investing activities</b>		
Dividend received	12	-
Proceed from disposal of investment property	-	338
Interest received	67	133
Purchase of property, plant and equipment	-	(311)
Proceed from sale of property, plant and equipment	201	8
Net cash generated from investing activities	<u>280</u>	<u>168</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	12,595	-
Repayment to other financial obligations	(304)	(4,839)
Repayment of term loans	(8,494)	(19,833)
Repayment of obligation under finance leases	(63)	(89)
Loan interests	(5,165)	(3,771)
Net cash used in financing activities	<u>(1,431)</u>	<u>(28,532)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,669)</b>	<b>(20,338)</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>(15,217)</u></b>	<b><u>(11,095)</u></b>
<b>Represented by:</b>		
<b>Continuing operations</b>		
Cash and bank balances	16,483	17,389
Bank overdrafts	(15,459)	(11,662)
	<u>1,024</u>	<u>5,727</u>
<b>Discontinued operations</b>		
Cash and bank balances	131	68
Bank overdrafts	(16,372)	(16,890)
	<u>(16,241)</u>	<u>(16,822)</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>(15,217)</u></b>	<b><u>(11,095)</u></b>



Interim Financial Report for the period ended 30 September 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 interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. 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 September 2020, the Group had reported a net loss of RM13.92 million. The Company provided corporate guarantees totalling BWP180.20 million and ZAR8 million (approximately RM66.39 million) to the preference shareholder, lender, and creditor of Pasdec Automotive Technologies (Botswana) (Pty) Ltd ("PAT BW"), a subsidiary of Pasdec. The said subsidiary has reported a net loss of RM17.18 million, net current liabilities of approximately RM110.30 million and negative cash and cash equivalents of approximately RM16.27 million. The said subsidiary has entered into a term loan agreement with the certain bank and had breached the financial covenants of the loans and borrowings which resulted in the other loans and borrowings of Group and Pasdec amounting to RM26.02 million and RM8.92 million respectively being reclassified to current liabilities as at 30 September 2020. Despite the said breach of covenants, the lenders have not called upon even 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.

The Directors of Pasdec have undertaken divestment exercise in order to discharge the Company from its corporate guarantees provided to the preference shareholder, lender and certain creditor of PAT BW.

The going concern assumption is dependent on the successful implementation of the plan to divest from Pasdec Automotive Technologies (Botswana) (Pty) Ltd.

Pasdec will dissolve Pasdec Resources SA Ltd ("PRSA") and Pasdec Automotive Technologies (Pty) Ltd ("PAT SA") upon the successful 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.

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**A2. Significant accounting policies**

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted 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. Standard and interpretations issued but not yet effective**

The standards and interpretations 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.

**New MFRS**

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 financial statements for the year ended 31 December 2019 was not qualified.

**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. Carrying amount of revalued assets**

The carrying values of certain investment properties and inventories are based on the valuation incorporated in the audited financial statements for the year ended 31 December 2019.

**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 Group for the period is as follows:-

	<b>CUMULATIVE PERIOD</b>					
	<b>9 MONTHS ENDED 30 SEPTEMBER 2020</b>					
	Properties RM'000	Construc- tion RM'000	Others RM'000	Elimina- tion RM'000	Total	
Continuing RM'000					Discontinued RM'000	
<b>REVENUE :</b>						
External sales	26,591	11	20	-	26,622	31,647
Inter-segment sales	25	647	2,497	(3,169)	-	(28,372)
	<b>26,616</b>	<b>658</b>	<b>2,517</b>	<b>(3,169)</b>	<b>26,622</b>	<b>3,275</b>
<b>SEGMENT RESULTS:</b>						
Operating loss	(2,859)	(666)	(3,298)	6,270	(553)	(6,011)
Other income	1,391	55	455	-	1,901	245
Interest income	576	2	1,477	(1,777)	278	-
Finance costs	(1,707)	(77)	(867)	1,159	(1,492)	(6,585)
Share of results of associates	-	-	-	(1,702)	(1,702)	-
<b>Loss before tax</b>	<b>(2,599)</b>	<b>(686)</b>	<b>(2,233)</b>	<b>3,950</b>	<b>(1,568)</b>	<b>(12,351)</b>
Taxation	-	-	-	-	-	-
<b>Loss net of tax</b>	<b>(2,599)</b>	<b>(686)</b>	<b>(2,233)</b>	<b>3,950</b>	<b>(1,568)</b>	<b>(12,351)</b>
<b>Assets and Liabilities</b>						
Segment assets	428,898	5,556	335,293	(337,433)	432,314	34,955
Cash and bank balances	7,425	4	3,016	-	10,445	131
Deposit with licensed banks	4,857	116	1,065	-	6,038	-
Tax recoverable	4,025	2	271	-	4,298	-
<b>Total assets</b>	<b>445,205</b>	<b>5,678</b>	<b>339,645</b>	<b>(337,433)</b>	<b>453,095</b>	<b>35,086</b>
Segment liabilities	159,568	6,688	79,720	(180,147)	65,829	5,663
Tax payable	-	-	-	-	-	-
Overdrafts	14,960	499	-	-	15,459	16,372
Loans and borrowings	10,512	-	8,968	-	19,480	60,590
<b>Total liabilities</b>	<b>185,040</b>	<b>7,187</b>	<b>88,688</b>	<b>(180,147)</b>	<b>100,768</b>	<b>82,625</b>
Capital expenditure	-	-	-	-	-	-
Depreciation	438	5	906	(5)	1,344	176

**A12. Segmental information (continued)**

The segment information by activities for the Group for the period is as follows:-

	<b>CUMULATIVE PERIOD</b>					
	<b>9 MONTHS ENDED 30 SEPTEMBER 2019</b>					
	Properties RM'000	Construc- tion RM'000	Others RM'000	Elimi- nation RM'000	Total	
Continuing RM'000					Discontinued RM'000	
<b>REVENUE :</b>						
External sales	20,562	2,646	21	-	23,229	70,925
Inter-segment sales	22	2,055	3,386	(5,463)	-	-
	<b>20,584</b>	<b>4,701</b>	<b>3,407</b>	<b>(5,463)</b>	<b>23,229</b>	<b>70,925</b>
<b>SEGMENT RESULTS:</b>						
Operating (loss)/profit	(1,748)	1,193	2,664	(5,969)	(3,860)	(5,953)
Other income	1,402	-	411	1,786	3,599	9,476
Interest income	959	3	1,739	(1,181)	1,520	-
Finance costs	(2,164)	(51)	(1,634)	1,181	(2,668)	(5,558)
Share of results of associates	-	-	-	413	413	-
<b>(Loss)/profit before tax</b>	<b>(1,551)</b>	<b>1,145</b>	<b>3,180</b>	<b>(3,770)</b>	<b>(996)</b>	<b>(2,035)</b>
Taxation	1,352	(1)	16	-	1,367	-
<b>(Loss)/profit net of tax</b>	<b>(199)</b>	<b>1,144</b>	<b>3,196</b>	<b>(3,770)</b>	<b>371</b>	<b>(2,035)</b>
<b>Assets and Liabilities</b>						
Segment assets	456,733	12,256	358,569	(369,125)	458,433	49,071
Cash and bank balances	6,822	402	4,222	-	11,446	68
Deposit with licensed banks	4,777	113	1,053	-	5,943	-
Tax recoverable	6,552	3	319	-	6,874	-
<b>Total assets</b>	<b>474,884</b>	<b>12,774</b>	<b>364,163</b>	<b>(369,125)</b>	<b>482,696</b>	<b>49,139</b>
Segment liabilities	183,355	11,006	88,967	(183,447)	99,881	504
Tax payable	26	1	22	-	49	-
Overdrafts	11,662	-	-	-	11,662	16,890
Loans and borrowings	13,820	-	15,579	-	29,399	30,845
<b>Total liabilities</b>	<b>208,863</b>	<b>11,007</b>	<b>104,568</b>	<b>(183,447)</b>	<b>140,991</b>	<b>48,239</b>
Capital expenditure	54	1	256	-	311	-
Depreciation	475	14	2,481	(35)	2,935	294

**A13. Events after the reporting period**

There were no material events subsequent to the reporting date up to 30 November 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Financial Report.

**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 30.09.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
Capital expenditure Approved and contracted for: Property, plant and equipment	<b>67,146</b>	<b>72,841</b>

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**A17. Subsequent 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 March to 31 March 2020 and subsequently extended to 12 May 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 were given special permission to operate.

The MCO was revised to the Conditional Movement Order ("CMCO") on 4 May 2020 and was subsequently extended to 9 June 2020 with various economic and social activities allowed, subject to conditions such as the implementation of standard operating procedures set by the Government.

On 10 June 2020, the Government issued Recovery Movement Control Order ("RMCO") until 31 August 2020 and subsequently extended to 31 December 2020 with a host of restrictions that were enforced during CMCO are now lifted while complying to the standard operation procedures. .

This may affect the financial performance of the Company but with the Government measures to mitigate negative impact to the industries, the Group is confident on its sustainability. Bank Negara Malaysia had reduced the overnight policy rate to 1.75% to accommodate home financing. The Government had also announced Real Property Gains Tax exemption for Malaysians for disposal of up to 3 properties between 1 June, 2020 and 31 December, 2021, to spur property market . Home Ownership Campaign was re-introduced in June 2020 with benefits from exemptions on stamp duty and instrument of transfer, subject to certain conditions.

The Group and the Company will continuously monitor the impact of Covid-19 on its operations and financial performance and will be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

**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 September 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Quarter	Preceding year Quarter			Current year to-date	Preceding year to-date		
	30.09.2020 RM'000	30.09.2019 RM'000	RM'000	%	30.09.2020 RM'000	30.09.2019 RM'000	RM'000	%
<b>Continuing operations</b>								
Revenue	15,330	6,713	8,617	128	26,622	23,230	3,392	15
Gross profit	3,512	1,407	2,105	150	9,303	9,840	(537)	(5)
(Loss)/profit before interest & tax	(990)	1,168	(2,158)	185	(76)	1,672	(1,748)	105
(Loss)/profit before tax	(1,477)	360	(1,837)	510	(1,568)	(996)	(572)	(57)
(Loss)/profit net of tax	(1,201)	1,727	(2,928)	170	(1,568)	371	(1,939)	523
<b>Discontinued operations</b>								
(Loss)/profit net of tax	(937)	3,989	(4,926)	(100)	(12,351)	(2,035)	(10,316)	(100)
(Loss)/profit attributable to ordinary equity holders of the parent	(4,220)	2,421	(6,641)	274	(10,482)	(1,479)	(9,003)	(609)

Overview

Continuing operations:-

The Group registered revenue of RM 26.62 million during the period under review compared to RM23.23 million for the corresponding period last year.

The registered loss net of tax for the current period was RM1.57 million compared to RM0.37 million in profit for the corresponding period last year.

Discontinued operations:-

Manufacturing activities in Botswana; its reported revenue was lower for the period under review, i.e. RM31.65 million compared to the same corresponding period last year of RM70.92 million. The lockdown due to pandemic Covid-19 had affected manufacturing activities.

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**B1. Review of performance (cont'd).**

Results by Segments

Property segment registered revenue of RM26.59 million for the current period compared with RM20.56 million for the corresponding period last year, increased by 29%. The Group's efforts to increase promotional strategies, including the appointment of marketing consultant, coupled with Government's incentives and stimulus packages, had contributed positively to the sales of properties.

This segment nevertheless had registered operating loss of RM2.86 million during the period compared to operating loss of RM1.75 million for the same period last year. Higher losses were attributable to impairment losses on receivable.

Manufacturing segment in Botswana had reported an operating loss of RM6.01 million compared to RM5.95 million loss for the same corresponding period last year. Losses were caused by increasing cost of manufacturing such as freight charges, transportation and manpower costs to meet the customers' demand and product mix of wire harness and automotive parts among 3 main customers; Volkswagen South Africa, Nissan South Africa and Renault South Africa.

Issues on continued losses and cash flow constraint had rendered Board's decision to discontinue the operations in Botswana and its management office in South Africa.

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

**Q3, 2020 vs Q2,2020**

	Current Quarter 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Changes	
			RM'000	%
<b>Continuing operations</b>				
Revenue	15,330	6,184	9,146	148
Gross profit	3,512	2,579	933	36
(Loss)/profit before interest & tax	(990)	1,102	(2,092)	(190)
(Loss)/profit before tax	(1,477)	827	(2,304)	279
(Loss)/profit net of tax	(1,201)	551	(1,752)	318
<b>Discontinued operations</b>				
Loss net of tax	(937)	(8,877)	7,940	(100)
Loss attributable to ordinary equity holders of the parent	(4,220)	(3,634)	(586)	(16)

<u>Revenue</u>	Current Quarter Q3,2020 RM'million	Immediate Preceding Quarter Q2, 2020 RM'million
<b>Segments</b>		
<b>Continuing operations</b>		
Property development	15.33	6.18

During the quarter under review, the property segment recorded revenue was RM15.33 million as compared to RM6.18 million in the immediate preceding quarter, with units sold of 50 units in 3Q2020 compared to 27 units in 2Q2020, a positive outcome from the various promotional and marketing activities carried out by the Group coupled with the incentives offered by the Government.

The promotional activities carried out by consultant in addition to existing marketing staff had started prior to pandemic Covid-19 and despite MCO, the marketing and sales activities were intensified through social media and official. During the quarter under review, the activities had translated into sales when the buyers' loans were concluded by banks.

Higher loss attributable to Owners of the Group for 3Q2020 was recorded i.e. RM4.22 million, compared to RM3.63 million for 2Q2020 mainly because of share of losses of associates of RM2.38 million recorded during the current quarter.

**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**

	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Continuing operations:-</b>		
<b>Loss for the period is arrived at after charging</b>		
Depreciation	1,344	2,935
Interest expense	1,492	7,661
Allowance for expected credit loss:-		
Trade receivables	64	-
Effect on strike off of subsidiaries	-	6,003
<b>And after crediting</b>		
Other income	1,901	11,301
Interest income	278	1,520
Reversal of allowance for expected credit loss:-		
Trade receivables	19	397
Other receivables	-	245
Reversal of impairment loss of inventories	-	75
Effect on strike off of subsidiary	10	-

**B5. Taxation**

	<b>INDIVIDUAL</b>		<b>CUMULATIVE</b>	
	<b>QUARTER</b>		<b>QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
- Current	<b>276</b>	<b>1,367</b>	-	1,367

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**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 September 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	14,928	3,072	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>31,745</b>	<b>8,292</b>	

1. Land premium

The land premium is in respect of 60 acres of land in Muadzam Shah, which is pending issuance of land title by Land Office.

2. Property development

The balance of RM3.37 million will be used for 7 new projects and 2 existing projects as mentioned below

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**B7. Status of utilisation of proceeds as at 30 September 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	April 2021
2	Balok Perdana Commercial 2A2	9.57	June 2022
3	Pasdec Damansara Zone 3A3	54.07	January 2022
4	Muadzam Shah Phase 1	30.67	April 2021
5	Pasdec Avenue	105.34	October 2021
6	Bandar Putra Package 6A9	34.32	April 2022
7	Harbour Park	173.71	January 2022
<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 September 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 Putra, 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 September 2020 raised from the Rights Issue with Warrants are as follows:- (continued)**

b) 2 projects financed from the Rights Issues proceeds continued to progress at the following stages:-

No	Property name	% Progress as at 30 September 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%	4Q,2020
2	15 units of double storey commercial shop office at Cenderawasih Pesona, located in Kuantan, Pahang.	99%	4Q,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 September 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	14,928	3,072	-	-
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>31,745</b>	<b>7,325</b>	-	-

**B8. Investment securities**

Fair Value through Other Comprehensive Income

	<b>As at 30.09.2020</b>	<b>As at 30.09.2019</b>
	<b>Carrying amount</b>	<b>Carrying amount</b>
	<b>Market value of quoted investments</b>	<b>Market value of quoted investments</b>
	<b>RM'000</b>	<b>RM'000</b>
At fair value:		
Shares quoted in Malaysia	-	9
Unit trusts quoted in Malaysia	<b>351</b>	378
	<b>351</b>	<b>387</b>

**B9. Trade receivables**

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

Ageing	Gross RM'000	Impairment RM'000	Net RM'000	%
Current	7,426	-	7,426	26%
Past due 30 - 120 days	8,868	-	8,868	31%
Past due > 120 days	21,372	8,890	12,482	43%
<b>TOTAL</b>	<b>37,666</b>	<b>8,890</b>	<b>28,776</b>	<b>100%</b>

The Group did not impair some past due trade receivables as the Group was satisfied on its recovery. The banks or financial institutions would release the buyers' loans upon fulfilment of terms and conditions of loan agreements and some balances are stakeholders' monies held by lawyers.

**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 30.09.2020 RM'000	As at 30.09.2019 RM'000	Interest rates	Remarks
1) Overdrafts	RM	15,459	-	15,459	11,663	7.85% - 9.35%	Working capital
2) Term loan	RM	12,059	-	12,059	19,490	6.35%- 8.00%	Working capital
3) Term loan	RM	7,421	-	7,421	8,151	3.82% - 4.22%	Investment
4) Finance lease	RM	-	-	-	94	2.42% - 3.00%	Purchase of motor vehicle
<b>TOTAL</b>		<b>34,939</b>	<b>-</b>	<b>34,939</b>	<b>39,398</b>		
<b>Disposal group</b>							
1) Overdrafts	BWP	16,372	-	16,372	16,889	8.50%	Working capital
2) Term loan	BWP	40,968	-	35,427	7,854	4.00% - 9.0%	Purchase of plant & equipment
3) Redeemable preference shares	BWP	25,163	-	25,163	24,655	4.00%	Capital expenditure and working capital
<b>TOTAL</b>		<b>82,503</b>	<b>-</b>	<b>76,962</b>	<b>49,398</b>		

**Note**

BWP : Botswana Pula (1 BWP = RM0.357389)

**B11. Share capital**

	<b>As at 30.09.2020 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 30.09.2020 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.

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**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)/earning per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
<b>Basic (losses)/earning per share</b>				
(Losses)/earning attributable to owners of the parent (RM'000)	<b>(4,220)</b>	2,421	<b>(10,482)</b>	(1,479)
Number of weightage average shares (unit '000)	<b>400,369</b>	400,369	<b>400,369</b>	400,369
Basic (losses)/earning per share (sen)	<b>(1.06)</b>	0.60	<b>(2.62)</b>	(0.37)

**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