

PATIMAS COMPUTERS BERHAD (244510-H)
Condensed Consolidation Statement of Comprehensive Income (Unaudited)
for the period ended 30 June 2013

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding
	Quarter	Corresponding	Financial	Corresponding
	30 June 13	Quarter	Year	Financial Year
	RM ' 000	30 June 12	30 June 13	30 June 12
		RM ' 000	RM ' 000	RM ' 000
Continuing Operations:				
Revenue	2,762	11,533	2,762	11,533
Operating expenses	(4,463)	(15,383)	(4,463)	(15,383)
Other operating income	26	144	26	144
Finance costs	(876)	(1,082)	(876)	(1,082)
Investing results	-	-	-	-
Share of profit / (loss) of associates	-	(139)	-	(139)
Profit/(Loss) before tax	(2,551)	(4,927)	(2,551)	(4,927)
Income tax	683	-	683	-
Net Profit/(Loss) for the period	(1,868)	(4,927)	(1,868)	(4,927)
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	(1,868)	(4,927)	(1,868)	(4,927)
Attributable to:				
Owners of the Parent	(1,866)	(4,880)	(1,866)	(4,880)
Non-Controlling Interest	(2)	(47)	(2)	(47)
	(1,868)	(4,927)	(1,868)	(4,927)
Total comprehensive income attributable to:				
Owners of the Parent	(1,866)	(4,880)	(1,866)	(4,880)
Non-Controlling Interest	(2)	(47)	(2)	(47)
	(1,868)	(4,927)	(1,868)	(4,927)
Earning/(Loss) per share (sen)				
- Basic	(0.22)	(0.64)	(0.22)	(0.64)
- Diluted	(0.22)	(0.64)	(0.22)	(0.64)

Notes :

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the annual audited account for the financial year ended 31 March 2013.

PATIMAS COMPUTERS BERHAD (244510-H)
Condensed Consolidated Statement of Financial Position (Unaudited)
as at 30 June 2013

	As At 30 June 2013 Unaudited RM '000	As At 31 Mar 2013 Audited RM '000
ASSETS		
Non Current Assets		
Plant and equipment	5,028	5,264
Long term receivable	563	704
	<u>5,591</u>	<u>5,968</u>
Current Assets		
Inventories	126	127
Trade receivables	1,408	1,671
Other receivables	1,953	2,663
Cash and bank balances	496	179
	<u>3,983</u>	<u>4,640</u>
Total Assets	<u>9,574</u>	<u>10,608</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent:		
Share capital	83,290	83,290
Reserves	(130,491)	(128,625)
Shareholders' Funds	(47,201)	(45,335)
Non-controlling interest	(695)	(693)
Total Equity	<u>(47,896)</u>	<u>(46,028)</u>
Current Liabilities		
Trade payables	11,662	11,957
Other payables	5,848	5,458
Borrowings	39,761	39,022
Tax payable	199	199
	<u>57,470</u>	<u>56,636</u>
Total liabilities	<u>57,470</u>	<u>56,636</u>
Total Equity and Liabilities	<u>9,574</u>	<u>10,608</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
Basic/Fully Diluted:		
Based on 832,895,780 (2013:809,125,288) ordinary shares	(0.06)	(0.06)

Note :

- (i) The unaudited condensed consolidated statement of financial position should be read in conjunction with the annual audited account for the financial year ended 31 March 2013.

PATIMAS COMPUTERS BERHAD (244510-H)
Condensed Consolidated Statements of Changes in Equity (Unaudited)
for the period ended 30 June 2013

Group	----- Non Distributable -----		----- Distributable -----		Total	Non- controlling interest	Total Equity
	Share Capital	Share premium	Treasury Shares	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2013	83,290	44,397	-	(173,022)	(45,335)	(693)	(46,028)
Total comprehensive expense for the period	-	-	-	(1,866)	(1,866)	(2)	(1,868)
At 30 June 2013	83,290	44,397	-	(174,888)	(47,201)	(695)	(47,896)
At 1 April 2012	75,790	44,397	(482)	(138,755)	(19,050)	(847)	(19,897)
Private Placement	7,500	-	-	-	7,500	-	7,500
Total comprehensive expense for the year	-	-	482	(34,267)	(33,785)	154	(33,631)
At 31 March 2013	83,290	44,397	-	(173,022)	(45,335)	(693)	(46,028)

Note :

- (i) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the annual audited account for the financial year ended 31 March 2013

PATIMAS COMPUTERS BERHAD (244510-H)
Condensed Consolidated Statements of Cash Flow (Unaudited)
for the period ended 30 June 2013

	3 months Period ended 30 June 2013 RM'000	3 months Period ended 30 June 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(2,551)	(4,927)
Adjustments for non-cash flow:-		
Non-cash items	290	1,540
Non-operating items - financing	876	1,082
Non-operating items - investing	-	(138)
Operating profit before working capital changes	<u>(1,385)</u>	<u>(2,443)</u>
Changes in working capital		
Net changes in long term receivable	141	(1,127)
Net changes in current assets	489	6,166
Net changes in current liabilities	69	346
Cash generated from/(used in) operations	<u>(686)</u>	<u>2,942</u>
Tax (paid) / recovered	1,168	76
Net cash generated from/(used in) operating activities	<u>482</u>	<u>3,018</u>
INVESTING ACTIVITIES		
Purchase of plant and equipment	(54)	-
Uplift / (placement) of Fixed deposit pledged as security	-	(159)
Interest received	-	138
Net cash generated from/(used in) investing activities	<u>(54)</u>	<u>(21)</u>
FINANCING ACTIVITIES		
Net (repayment)/drawdown of Islamic facility	-	(570)
Net (repayment)/drawdown of banker's acceptances	-	208
Net (repayment)/drawdown of trust receipts facility	-	93
Interest paid	(759)	(1,082)
Net cash used in financing activities	<u>(759)</u>	<u>(1,351)</u>
Net change in cash and cash equivalents	(331)	1,646
Cash and cash equivalents at the beginning of the year	(33,058)	(23,973)
Cash and cash equivalents at end of the year	<u>(33,389)</u>	<u>(22,327)</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	496	1,895
Deposits with licensed banks	-	24,317
Less: Deposits pledged with licensed banks	-	(24,317)
	-	-
Overdraft invoices	(5,105)	(9,985)
Bank overdrafts	(28,780)	(14,237)
Cash and cash equivalents	<u>(33,389)</u>	<u>(22,327)</u>

Notes :

- (i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the annual audited account for the financial year ended 31 March 2013.

PATIMAS COMPUTERS BERHAD (244510-H)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2013. The auditors' report on the audited financial statements for the financial year ended 31 March 2013 contained a disclaimer of opinion on the audited financial statements (Please refer to note A3 below).

Going Concern

Pursuant to paragraphs 8.04(2) of the Listing Requirement ("LR") of Bursa Malaysia Securities Berhad ("Bursa") in relation to Practice Note 17 ("PN17"), the Company is classified as a PN17 Company as the auditors had expressed a disclaimer opinion on the Company's audited financial statements for the year ended 31 March 2013 and the group had capital deficiencies of RM45,335,000 on 31 March 2013 which is below 25% of the issued and paid up share capital of RM83.290 million. Since the First Announcement made by the Company on 1 November 2012, the Company is in the midst of formulating a regularisation plan to address its PN17 status.

On 29 January 2013, the Company announced that the regularisation plan will not result in a significant change in the business direction or policy of the Company.

On 28 November 2012, the Company made an announcement pursuant to Practice Note 1 ("PN1") of the LR that Patimas-HPD Systems Sdn Bhd ("PHPD"), its wholly owned subsidiary had received a legal letter of demand from Malaysia Debt Venture Berhad ("MDV") for the outstanding balance of RM4,340,988.30 in connection with the credit facilities granted for a project financing facility totalling RM14 million. The Company also received a similar legal letter of demand as a guarantor in respect of the said facility. Both the Company and PHPD are currently in communication with MDV and exploring various options to regularise the default.

The appropriateness of preparing the financial statements of the Group on a going concern basis is dependent upon the successful and timely formulation and implementation of a regularization plan, the successful negotiation and settlement of the Group's bank borrowings, and the continuing financial support from shareholders, creditors and lenders.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realizable values, and to provide further estimated liabilities that may arise, and to reclassify all non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements of the Group does not include any adjustments and classifications relating to the recorded assets and liabilities that may be necessary if the Group is unable to continue as going concern.

A2. SIGNIFICANT ACCOUNTING POLICIES

First-time adoption of Malaysian Financial Reporting Standard ("MFRS")

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework commencing 1 April 2012. The MFRS Framework comprises standards as issued by the International Accounting Standards Board ("IASB"). This interim financial report of the Group is compliant with MFRS 1 "First-time adoption of Malaysian Financial Reporting Standard".

In accordance with MFRS1, an opening MFRS statement of financial position has been presented at the date of transition to MFRS. There are no differences between the opening MFRS statement of financial position and the statement of financial position presented under the Financial Reporting Standards ("FRS") at 31 March 2012.

The adoption of the MFRS Framework did not result in any material impact to the interim financial report as the accounting policies applicable to the Group under the MFRS Framework are consistent with the accounting policies previously adopted under the FRS in Malaysia.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited financial statements for the financial year ended 31 March 2013 contained a disclaimer of opinion on the audited financial statements because

(i) they were unable to confirm or verify by alternative means the opening balances making up the statements of financial position as the previous auditors have expressed a disclaimer opinion in the audited financial statements for the financial period ended 31 March 2012 and

(ii) the group incurred a net loss of RM34,267,000 for the financial year ended 31 March 2013 and had capital deficiencies of RM45,335,000 at 31 March 2013 which may cast significant doubt on the ability of the group to continue as a going concern.

A4. SEASONAL OR CYCLICAL FACTORS OF OPERATIONS

The Group's operations are not affected by seasonal or cyclical factors.

A5. UNUSUAL ITEMS

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence during the interim period under review.

A6. CHANGES IN ACCOUNTING ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results that has been brought to the attention of the Board.

A7. ISSUANCE OR REPAYMENTS OF DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current interim financial period under review.

A8. SEGMENTAL REPORTING

Segmental information for the Group by geographical segment is presented as follows:

	Current quarter 30-Jun-13 RM' 000	Current year to date RM' 000
Segment Revenue		
Malaysia	2,762	2,762
Overseas	-	-
	<u>2,762</u>	<u>2,762</u>

No segmental information based on business activity is presented as the Group is principally engaged in the development and sale of computer and IT related products and provision of IT and telecommunication related services.

A9. VALUATION OF INTANGIBLE ASSETS, OTHER INVESTMENTS, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the financial quarter under review.

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to 30 June 2013 and up to the date of this report that have not been reflected or disclosed in the financial statements for the quarter under review.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	As At 30-Jun-13 RM' 000	As At 31-Mar-13 RM' 000
Unsecured corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	4,000	4,000
Unsecured corporate guarantees given to financial institution for credit facilities granted to subsidiaries	14,000	14,000
	<u>18,000</u>	<u>18,000</u>

B BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF THE GROUP'S PERFORMANCE

The group has been facing many challenges and adverse market reactions since the Company was classified as a PN17 and PN1 company by Bursa on 1 November 2012 and 28 November 2012 respectively.

The group registered a revenue of RM2.762 million and a net loss before taxation of RM2.551 million for the quarter under review compared to the preceeding year corresponding quarter's revenue of RM11.533 million and net loss before taxation of RM4.927 million.

B2. COMMENTS ON MATERIAL CHANGES IN PROFIT/(LOSS) BEFORE TAX

	Current Quarter 30-Jun-13 RM' 000	Preceding Quarter 31-Mar-13 RM' 000
Revenue	2,762	3,911
Loss Before Tax	(2,551)	(5,744)

For the quarter under review, the Group earned a revenue of RM2.762 million and incurred a loss before taxation of RM2.551 million which is much lower than the RM5.744 million loss before taxation incurred in the preceding quarter.

B3. PROSPECTS

The Company is in the midst of evaluating various options in its endeavour to formulate a regularisation plan to address the group's PN17 and PN1 status. The Board shall comment on the prospect of the group upon the completion of the regularisation plan.

B4. PROFIT FORECAST AND GUARANTEE

Not applicable.

B5. TAXATION

	Current quarter 30-Jun-13 RM' 000	Current year to date RM' 000
Current taxation comprises : -		
- Malaysia	-	-
- Foreign	-	-
- Under provision in respect of previous years	683	683
- Associate company	-	-
	<u>683</u>	<u>683</u>
Deferred taxation	-	-
	<u>683</u>	<u>683</u>

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced in the current quarter and financial year-to-date. However, as an Affected Listed Issuer under PN17 of the LR, the Company is required to submit a regularisation plan to the relevant authority within 12 months from 1 November 2012. The Company is currently in the process of formulating such regularisation plan.

B6. STATUS OF CORPORATE PROPOSALS (Continued)

On 9 May 2013, the court has granted Patimas a court restraining order, inter alia, that all proceedings and/or actions and/or any further proceedings in any actions or proceedings against Patimas and its subsidiaries namely, Patimas Dot Com Sdn Bhd; Patimas HPD Systems Sdn Bhd; and Patimas Outsourcing Services Sdn Bhd including all winding up proceedings, receiverships, any execution proceedings including distress, arbitration, or the appointment of receivers and managers as well as any intended or further proceedings be forthwith restrained and stayed pursuant to Section 176 (10) of the Companies Act, 1965 for a period of six (6) months from 9 May 2013, except by leave by the Court and subject to such terms as the Court may impose ("Restraining Order"). The details of the proposed schemes of arrangement will be announced in due course.

B7. GROUP BORROWINGS AND DEBT SECURITIES

	As At 30-Jun-13 RM'000
Short term borrowings:	
Unsecured	
- Overdraft invoices	5,105
- Bankers' acceptance	1,214
- Islamic facilities	4,662
- Bank overdrafts	28,780
	<u>39,761</u>

All of the above are denominated in Ringgit Malaysia.

B8. MATERIAL LITIGATION

On 24 November 2011 Patimas Computers Berhad won its claims of RM12,708,012 with costs against Omni Quest Sdn Bhd & Tony Poon Ah Huat at the Kuala Lumpur High Court.

On 10 October 2012 the Court of Appeal overturned the decision of High Court with costs.

On 24 October 2012 the Company instructed its lawyers to file a motion for leave at the Federal Court to appeal the decision made by the Court of Appeal dated 10 October 2012. No hearing date has yet been fixed in respect of the leave application

On 20 August 2013 the Company announced that the matter is now fixed for Case Management on 11 November 2013 pending grounds of judgment being obtained from the Court of Appeal of Malaysia.

B9. DIVIDEND

The Directors do not recommend any dividend payment in respect of the current financial period under review.

B10. LOSS PER SHARE

The basic loss per share was calculated by dividing the net loss attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the period under review:-

Basic	Current quarter 30-Jun-13	Current year to date
Net loss attributable to ordinary shareholders (RM' 000)	<u>(1,866)</u>	<u>(1,866)</u>
Weighted average number of ordinary shares in issue ('000)	<u>832,896</u>	<u>832,896</u>
Basic loss per ordinary share (sen)	<u>(0.22)</u>	<u>(0.22)</u>

B11. OTHER RECEIVABLES

Included in other receivables, tax recoverable and prepaid tax instalments amounted to RM499,000.

B12. OPERATING INCOME / (EXPENSES)

Included in Operating income/expenses are :-

	Current quarter 30-Jun-13 RM' 000	Current year to date RM' 000
- Depreciation expenses	(291)	(291)
- Interest expense	(876)	(876)
- Forex gains/(losses)	<u>1</u>	<u>1</u>

There was no exceptional item for the current quarter and financial year to date.

B13. REALISED AND UNREALISED PROFITS / (LOSSES) DISCLOSURE.

	Current financial year RM' 000
Total accumulated losses of Patimas Computers Berhad and its subsidiaries:	
- Realised	(265,112)
- Unrealised	<u>(47)</u>
	(265,159)
Total share of accumulated losses from associated companies:	
- Realised	-
- Unrealised	<u>-</u>
	(265,159)
Less: Consolidation adjustments	90,271
Total group accumulated losses as per consolidated accounts	<u><u>(174,888)</u></u>