

**PATIMAS COMPUTERS BERHAD (244510-H)**  
**Condensed Consolidation Statement of Comprehensive Income (Unaudited)**  
**for the period ended 31 Dec 2013**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31 Dec 13 RM ' 000	Preceding Year Corresponding Quarter 31 Dec 12 RM ' 000	Current Financial Year 31 Dec 13 RM ' 000	Preceding Corresponding Financial Year 31 Dec 12 RM ' 000
Continuing Operations:				
Revenue	3,982	4,568	9,796	23,088
Operating expenses	(3,636)	(21,231)	(17,493)	(51,403)
Other operating income	699	716	813	1,136
Finance costs	(921)	(912)	(2,698)	(3,086)
Share of profit / (loss) of associates	-	(276)	-	(376)
Profit/(Loss) before tax	124	(17,135)	(9,582)	(30,641)
Income tax	-	-	683	
Net Profit/(Loss) for the period	124	(17,135)	(8,899)	(30,641)
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	124	(17,135)	(8,899)	(30,641)
Attributable to:				
Owners of the Parent	126	(17,314)	(8,902)	(30,760)
Non-Controlling Interest	(2)	179	3	119
	124	(17,135)	(8,899)	(30,641)
Total comprehensive income attributable to:				
Owners of the Parent	126	(17,314)	(8,902)	(30,760)
Non-Controlling Interest	(2)	179	3	119
	124	(17,135)	(8,899)	(30,641)
Earning/(Loss) per share (sen)				
- Basic	0.02	(2.17)	(1.07)	(3.86)
- Diluted	0.02	(2.17)	(1.07)	(3.86)

**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 31 Dec 2013**

	As At 31 Dec 2013 Unaudited RM '000	As At 31 Mar 2013 Audited RM '000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Plant and equipment	1,186	5,264
Long term receivable	141	704
	1,327	5,968
<b>Current Assets</b>		
Inventories	3,475	127
Trade receivables	2,138	1,671
Other receivables	2,213	2,663
Cash and bank balances	155	179
	7,981	4,640
<b>Total Assets</b>	9,308	10,608
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	83,290	83,290
Reserves	(137,527)	(128,625)
Shareholders' Funds	(54,237)	(45,335)
Non-controlling interest	(690)	(693)
<b>Total Equity</b>	(54,927)	(46,028)
<b>Current Liabilities</b>		
Trade payables	15,717	11,957
Other payables	6,804	5,458
Borrowings	41,515	39,022
Tax payable	199	199
	64,235	56,636
<b>Total liabilities</b>	64,235	56,636
<b>Total Equity and Liabilities</b>	9,308	10,608
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	(0.07)	(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 31 Dec 2013**

Group	Share Capital RM'000	----- Non Distributable -----			Distributable Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
		Share premium RM'000	Treasury Shares RM'000					
At 1 April 2013	83,290	44,397	-	(173,022)	(45,335)	(693)	(46,028)	
Total comprehensive expense for the period	-	-	-	(8,902)	(8,902)	3	(8,899)	
<b>At 31 Dec 2013</b>	<b>83,290</b>	<b>44,397</b>	<b>-</b>	<b>(181,924)</b>	<b>(54,237)</b>	<b>(690)</b>	<b>(54,927)</b>	
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)	
<b>At 31 March 2013</b>	<b>83,290</b>	<b>44,397</b>	<b>-</b>	<b>(173,022)</b>	<b>(45,335)</b>	<b>(693)</b>	<b>(46,028)</b>	

**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 31 Dec 2013**

	<b>9 months Period ended 31 Dec 2013 RM'000</b>	<b>9 months Period ended 31 Dec 2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(9,582)	(30,641)
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	4,889	16,432
Non-operating items - financing	2,699	3,086
Non-operating items - investing	-	(405)
Operating profit before working capital changes	<u>(1,994)</u>	<u>(11,528)</u>
<b>Changes in working capital</b>		
Net changes in long term receivable	563	(704)
Net changes in current assets	(4,734)	9,564
Net changes in current liabilities	5,026	(3,200)
Cash generated from/(used in) operations	<u>(1,139)</u>	<u>(5,868)</u>
Tax (paid) / recovered	1,172	63
Net cash generated from/(used in) operating activities	<u>33</u>	<u>(5,805)</u>
<b>INVESTING ACTIVITIES</b>		
Proceed from disposal of plant and equipment	180	13
Purchase of plant and equipment	(109)	(171)
Uplift / (placement) of Fixed deposit pledged as security	-	24,158
Interest received	-	405
Net cash generated from/(used in) investing activities	<u>71</u>	<u>24,405</u>
<b>FINANCING ACTIVITIES</b>		
Equity investments	-	7,500
Net (repayment)/drawdown of Islamic facility	-	(498)
Net (repayment)/drawdown of banker's acceptances	-	(30,685)
Interest paid	(2,346)	(3,086)
Net cash used in financing activities	<u>(2,346)</u>	<u>(26,769)</u>
<b>Net change in cash and cash equivalents</b>	<b>(2,242)</b>	<b>(8,169)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(33,058)</b>	<b>(23,973)</b>
<b>Cash and cash equivalents at end of the year</b>	<b><u>(35,300)</u></b>	<b><u>(32,142)</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	155	392
Overdraft invoices	(5,337)	(4,887)
Bank overdrafts	(30,118)	(27,647)
<b>Cash and cash equivalents</b>	<b><u>(35,300)</u></b>	<b><u>(32,142)</u></b>

**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, 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 RM 45,335,000 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 1st 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 October 2013, the Company announced that an application has been submitted to Bursa for an extension of time up to 28 February 2014 to submit its regularisation plan to the regulatory authorities. Bursa had via its letter 19 November 2013 decided to reject the application for extension of time. Bursa also notified the Company that the trading in the securities of the Company will be suspended with effect from 27 November 2013 and the securities of the Company will be delisted on 29 November 2013 unless an appeal against the delisting is submitted to Bursa on or before 26 November 2013.

On 22 November 2013 the Company have submitted an appeal against the suspension of trading and delisting of its securities to Bursa and is now waiting for the outcome of the appeal from Bursa. On 26 November 2013, Bursa had via its letter notified the Company that the trading of the Company's securities would be suspended with effect from 27 November 2013, but delisting of the Company's securities would be deferred until the outcome of the appeal which will be notified in due course. Trading of the Company's securities was suspended on 27 November 2013 until further advice from Bursa.

On 2 December 2013, the Company made the Requisite Announcement to Bursa of the Proposed Regularisation Scheme to regularise the company's financial position. Bursa had via its letter dated 23 December 2013 decided to allow the Company's appeal and granted an extension of time until 28 February 2014 to submit its regularisation plan to the relevant authorities for approval. On 21 February 2014, the Company sent out the notice of meeting of Scheme Creditors pursuant to an order of the High Court Of Malaya and Section 176 and 177 of the Companies Act 1965. The meetings of Scheme Creditors shall be held on 18 March 2014.

#### **A1. BASIS OF PREPARATION (continued)**

On 28 November 2012, the Company made an announcement pursuant to Practice Note 1 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 RM 14 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 RM 45,335,000 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**

The Group's business activities during the current financial year to date are all based in Malaysia.

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**

On 21 February 2014, the Company sent out the notice of meeting of Scheme Creditors pursuant to an order of the High Court Of Malaya and Section 176 and 177 of the Companies Act 1965. The meetings of Scheme Creditors shall be held on 18 March 2014.

**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 31-Dec-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 PN 17 and PN 1 Company by Bursa on 1st November 2012.

The Group registered a revenue of RM3.982 million and a profit before taxation of RM124,000 for the quarter under review compared to the preceding year corresponding quarter's revenue of RM4.568 million and a loss before taxation of RM17.135 million.

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

	<b>Current Quarter 31-Dec-13 RM' 000</b>	<b>Preceding Quarter 30-Sep-13 RM' 000</b>
Revenue	3,982	3,052
Profit / (Loss) Before Tax	124	(7,155)

For the quarter under review, the Group earned a revenue of RM3.982 million and a profit before taxation of RM124,000 comparing to Group's revenue of RM3.052 million and loss before taxation of RM7.155 million in the preceding quarter. During the quarter under review the group managed to cut down substantially its operating overhead by shutting down its office at Menara Lien Hoe and consolidated all the operations at Technology Park Malaysia office. The high loss incurred in last quarter was also due to impairment loss on fixed assets of RM3.511 million and on trade receivables of RM0.741 million.

### **B3. PROSPECTS**

On 2 December 2013, the Company made the Requisite Announcement to Bursa of the Proposed Regularisation Scheme to regularise the company's financial position. Bursa had vide its letter dated 23 December 2013 decided to allow the Company's appeal and granted an extension of time until 28 February 2014 to submit its regularisation plan to the relevant authorities for approval. On 21 February 2014, the Company sent out the notice of meeting of Scheme Creditors pursuant to an order of the High Court Of Malaya and Section 176 and 177 of the Companies Act 1965. The meetings of Scheme Creditors shall be held on 18 March 2014.

The prospect of the Group is dependent upon the successful implementation of the Proposed Regularisation Scheme.

### **B4. PROFIT FORECAST AND GUARANTEE**

Not applicable.



## B5. TAXATION

	Current quarter 31-Dec-13 RM' 000	Current year to date RM' 000
Current taxation comprises : -		
- Malaysia	-	-
- Foreign	-	-
- Over provision in respect of previous years	-	683
- Associate company	-	-
	<hr/>	<hr/>
	-	683
Deferred taxation	-	-
	<hr/>	<hr/>
	-	683

## B6. STATUS OF CORPORATE PROPOSALS

On 2 December 2013, the Company made the Requisite Announcement to Bursa of the Proposed Regularisation Scheme to regularise the company's financial position. Bursa had vide its letter dated 23 December 2013 decided to allow the Company's appeal and granted an extension of time until 28 February 2014 to submit its regularisation plan to the relevant authorities for approval. On 21 February 2014, the Company sent out the notice of meeting of Scheme Creditors pursuant to an order of the High Court Of Malaya and Section 176 and 177 of the Companies Act 1965. The meetings of Scheme Creditors shall be held on 18 March 2014.

## B7. GROUP BORROWINGS AND DEBT SECURITIES

	As At 31-Dec-13 RM'000
Short term borrowings:	
Unsecured	
- Overdraft invoices	5,337
- Bankers' acceptance	1,214
- Islamic facilities	4,846
- Bank overdrafts	30,118
	<hr/>
	41,515

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

By a letter dated 15 November 2013, the Federal Court have brought forward the date of the Case Management from 7 January 2014 to 28 November 2013. The Federal Court has fixed the hearing date to be on 15 April 2014 in respect of the leave application to appeal to the Federal Court.

**B9. DIVIDEND**

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

**B10. PROFIT / (LOSS) PER SHARE**

The basic profit / (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:-

<b>Basic</b>	<b>Current quarter 31-Dec-13</b>	<b>Current year to date</b>
Net profit / (loss) attributable to ordinary shareholders (RM' 000)	<u>126</u>	<u>(8,902)</u>
Weighted average number of ordinary shares in issue ('000)	<u>832,896</u>	<u>832,896</u>
Basic profit / (loss) per ordinary share (sen)	<u>0.02</u>	<u>(1.07)</u>

**B11. OTHER RECEIVABLES**

Included in other receivables, tax recoverable and prepaid tax instalments amounted to RM495,837.

**B12. OPERATING INCOME / (EXPENSES)**

Included in Operating income/expenses are :-

	<b>Current quarter 31-Dec-13 RM' 000</b>	<b>Current year to date RM' 000</b>
- Inventories written off	-	(126)
- Impairment loss on fixed assets	-	(3,511)
- Impairment loss on trade receivables	(83)	(824)
- Trade receivables impairment no longer required	131	240
- Depreciation expenses	(44)	(625)
- Plant and equipment written off	-	(30)
- Interest expense	(921)	(2,698)
- Forex gains/(losses)	-	3
- Gain on sale of Club Membership (MINES)	410	410
- Gain on sale of fixed assets	<u>157</u>	<u>157</u>

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

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

	<b>Current financial year RM' 000</b>
Total accumulated losses of Patimas Computers Berhad and its subsidiaries:	
- Realised	(272,143)
- Unrealised	(47)
	<u>(272,190)</u>
Total share of accumulated losses from associated companies:	
- Realised	-
- Unrealised	-
	<u>(272,190)</u>
Less: Consolidation adjustments	90,266
Total Group accumulated losses as per consolidated accounts	<u><u>(181,924)</u></u>