

**OCTAGON CONSOLIDATED BERHAD**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 JULY 2013**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Financial Period Ended 31 JULY 2013**

|                                                             | Current<br>Year<br>Quarter<br>31 July 2013<br>RM'000 | Preceding<br>Year<br>Quarter<br>31 July 2012<br>RM'000 | Cumulative Quarter<br>Current<br>Year<br>To - date<br>31 July 2013<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31 July 2012<br>RM'000 |
|-------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Revenue                                                     | 11,006                                               | 10,778                                                 | 28,866                                                                       | 33,459                                                              |
| Operating expenses                                          | (13,454)                                             | (11,738)                                               | (33,494)                                                                     | (36,740)                                                            |
| Other income                                                | 1,005                                                | 43                                                     | 2,867                                                                        | 74                                                                  |
|                                                             | (1,443)                                              | (917)                                                  | (1,761)                                                                      | (3,207)                                                             |
| Finance costs                                               | (2,574)                                              | (2,496)                                                | (17,101)                                                                     | (7,558)                                                             |
| Share of loss of associate company                          | -                                                    | -                                                      | -                                                                            | -                                                                   |
| (Loss) before taxation                                      | (4,017)                                              | (3,413)                                                | (18,862)                                                                     | (10,765)                                                            |
| Taxation                                                    | (155)                                                | (147)                                                  | (413)                                                                        | (973)                                                               |
| (Loss) after taxation                                       | (4,172)                                              | (3,560)                                                | (19,275)                                                                     | (11,738)                                                            |
| Other comprehensive income:                                 |                                                      |                                                        |                                                                              |                                                                     |
| Currency translation differences arising from consolidation | 522                                                  | 1,318                                                  | (232)                                                                        | (3,926)                                                             |
| Total comprehensive loss for the period                     | (3,650)                                              | (2,242)                                                | (19,507)                                                                     | (15,664)                                                            |
| Attributable to :                                           |                                                      |                                                        |                                                                              |                                                                     |
| Owners of the parent                                        | (1,909)                                              | (3,530)                                                | (10,998)                                                                     | (10,910)                                                            |
| Non-controlling interests                                   | (2,263)                                              | (30)                                                   | (8,277)                                                                      | (828)                                                               |
|                                                             | (4,172)                                              | (3,560)                                                | (19,275)                                                                     | (11,738)                                                            |
| Total comprehensive loss attributable to:                   |                                                      |                                                        |                                                                              |                                                                     |
| Owners of the parent                                        | (1,884)                                              | (5,056)                                                | (10,754)                                                                     | (13,528)                                                            |
| Non-controlling interests                                   | (1,766)                                              | 2,814                                                  | (8,753)                                                                      | (2,136)                                                             |
|                                                             | (3,650)                                              | (2,242)                                                | (19,507)                                                                     | (15,664)                                                            |
| Basic (loss) per share (sen)                                | (1.14)                                               | (2.12)                                                 | (6.59)                                                                       | (6.54)                                                              |
| Diluted (loss) per share (sen)                              | *                                                    | *                                                      | *                                                                            | *                                                                   |

\* Diluted earnings per share is not computed as the potential ordinary shares are anti-dilutive.

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 and the accompanying notes attached to this report)

**OCTAGON CONSOLIDATED BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 July 2013**

|                                             | (Unaudited)<br>As at<br>31 July 2013<br>RM'000 | (Audited)<br>As at<br>31 October 2012<br>RM'000 |
|---------------------------------------------|------------------------------------------------|-------------------------------------------------|
| <b>ASSETS</b>                               |                                                |                                                 |
| Non-current assets                          |                                                |                                                 |
| Property, plant and equipment               | 49,837                                         | 50,453                                          |
| Prepaid lease payments                      | 1,800                                          | 1,977                                           |
| Work-in-progress                            | 79,751                                         | 79,419                                          |
| Deferred tax assets                         | 284                                            | 284                                             |
| Development expenditure                     | 74,348                                         | 71,750                                          |
| Other investments                           | 81                                             | 81                                              |
| Receivables                                 | 173                                            | 108                                             |
|                                             | <u>206,274</u>                                 | <u>204,072</u>                                  |
| Current assets                              |                                                |                                                 |
| Inventories                                 | 12,340                                         | 13,767                                          |
| Receivables                                 | 21,624                                         | 21,899                                          |
| Cash in hand and at bank                    | 3,486                                          | 5,596                                           |
| Fixed deposits with licensed bank           | 1,653                                          | 2,153                                           |
|                                             | <u>39,103</u>                                  | <u>43,415</u>                                   |
| <b>TOTAL ASSETS</b>                         | <u><u>245,377</u></u>                          | <u><u>247,487</u></u>                           |
| <b>EQUITY AND LIABILITIES</b>               |                                                |                                                 |
| Equity                                      |                                                |                                                 |
| Share capital                               | 84,743                                         | 84,743                                          |
| Redeemable convertible preference shares    | 550                                            | 550                                             |
| Reserves                                    | (93,412)                                       | (82,182)                                        |
| Equity attributable to owners of the parent | (8,119)                                        | 3,111                                           |
| Non-controlling interests                   | (9,399)                                        | (646)                                           |
| <b>Total Equity</b>                         | <u>(17,518)</u>                                | <u>2,465</u>                                    |
| Non-current liabilities                     |                                                |                                                 |
| Long term borrowings                        | 10,781                                         | 10,067                                          |
| Post employment benefits                    | 189                                            | 185                                             |
| Deferred taxation                           | 788                                            | 788                                             |
|                                             | <u>11,758</u>                                  | <u>11,040</u>                                   |
| Current liabilities                         |                                                |                                                 |
| Payables                                    | 65,897                                         | 49,370                                          |
| Short term borrowings                       | 184,821                                        | 184,588                                         |
| Taxation                                    | 419                                            | 24                                              |
|                                             | <u>251,137</u>                                 | <u>233,982</u>                                  |
| <b>Total Liabilities</b>                    | 262,895                                        | 245,022                                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>         | <u><u>245,377</u></u>                          | <u><u>247,487</u></u>                           |
| Net Assets Per Share (RM)                   | (0.05)                                         | 0.02                                            |

**(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 and the accompanying notes attached to this report)**

**OCTAGON CONSOLIDATED BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the Financial Period Ended 31 July 2013**

|                                                                    | (Unaudited)<br>As at<br>31 July 2013<br>RM'000 | (Unaudited)<br>As at<br>31 July 2012<br>RM'000 |
|--------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Loss before taxation                                               | (18,862)                                       | (10,765)                                       |
| Adjustments for:                                                   |                                                |                                                |
| Non-cash items                                                     | 18,985                                         | 10,360                                         |
| Operating Profit before Working Capital Changes                    | 123                                            | (405)                                          |
| Changes in Working Capital                                         |                                                |                                                |
| Net change in current assets                                       | 1,637                                          | 778                                            |
| Net change in current liabilities                                  | (714)                                          | 15,151                                         |
| Net Cash Generated From Operating Activities                       | 1,046                                          | 15,524                                         |
| Other cash used (tax payment etc) in operations                    | (2,432)                                        | (3,730)                                        |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                                                |                                                |
| Interest income                                                    | 15                                             | 6                                              |
| Dividend received                                                  | 2                                              | 5                                              |
| Tax Refund                                                         | 452                                            | 1,474                                          |
| Capital expenditure                                                | (1,387)                                        | (13,473)                                       |
| Net Cash Used In Investing Activities                              | (918)                                          | (11,988)                                       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                                                |                                                |
| Repayment of bank borrowings                                       | (2,597)                                        | (1,135)                                        |
| Drawdown from bank borrowings                                      | 2,500                                          | 2,103                                          |
| Proceeds from issuance of Redeemable Convertible Preference shares | -                                              | 5,000                                          |
| Repayment of borrowings                                            | (30)                                           | (250)                                          |
| Proceeds from disposal of property, plant and equipment            | 53                                             | -                                              |
| Net Cash Generated From/(Used In) Financing Activities             | (74)                                           | 5,718                                          |
| Translation differences                                            | (232)                                          | (3,926)                                        |
| Cash and Cash Equivalent at beginning of the year                  | 7,669                                          | 1,656                                          |
| Cash and Cash Equivalent at end of the year*                       | <b>5,059</b>                                   | <b>3,254</b>                                   |
| * Cash in hand and at banks                                        | 3,486                                          | 4,632                                          |
| Fixed deposits with licensed banks                                 | 1,653                                          | 110                                            |
| Bank overdraft                                                     | -                                              | (1,408)                                        |
|                                                                    | 5,139                                          | 3,334                                          |
| Less: Fixed deposits with licensed bank under lien                 | (80)                                           | (80)                                           |
|                                                                    | <b>5,059</b>                                   | <b>3,254</b>                                   |

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 and the accompanying notes attached to this report)**

**OCTAGON CONSOLIDATED BERHAD**

**Condensed Consolidated Statements of Changes in Equity  
for the Financial Period Ended 31 July 2013  
(The figures have not been audited)**

|                                         | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Fair Value<br>Rserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | RCPS - Equity<br>Component<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Treasury<br>Reserve<br>RM'000 | (Accumulated<br>loss)<br>RM'000 | Total<br>Shareholder<br>Equity<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|-----------------------------------------|----------------------------|----------------------------|--------------------------------|----------------------------------|--------------------------------------|------------------------------|-------------------------------|---------------------------------|------------------------------------------|--------------------------------------------|---------------------------|
| At 1 November 2012                      | 84,743                     | 4,157                      | 33                             | (6,533)                          | 550                                  | -                            | (2,120)                       | (77,719)                        | 3,111                                    | (646)                                      | 2,465                     |
| Total comprehensive loss for the period | -                          | -                          | -                              | (232)                            | -                                    | -                            | -                             | (10,998)                        | (11,230)                                 | (8,753)                                    | (19,983)                  |
| At 31 July 2013                         | 84,743                     | 4,157                      | 33                             | (6,765)                          | 550                                  | -                            | (2,120)                       | (88,717)                        | (8,119)                                  | (9,399)                                    | (17,518)                  |

|                                         | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Fair Value<br>Rserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | RCPS - Equity<br>Component<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Treasury<br>Reserve<br>RM'000 | Retained<br>Earnings/<br>(Accumulated<br>loss)<br>RM'000 | Total<br>Shareholder<br>Equity<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|-----------------------------------------|----------------------------|----------------------------|--------------------------------|----------------------------------|--------------------------------------|------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------|--------------------------------------------|---------------------------|
| At 1 November 2011                      | 84,743                     | 4,157                      | 26                             | (1,649)                          | -                                    | 3,298                        | (2,120)                       | (16,385)                                                 | 72,070                                   | 4,606                                      | 76,676                    |
| Total comprehensive loss for the period | -                          | -                          | -                              | (3,926)                          | 549                                  | -                            | -                             | (10,910)                                                 | (14,287)                                 | (2,136)                                    | (16,423)                  |
| At 31 July 2012                         | 84,743                     | 4,157                      | 26                             | (5,575)                          | 549                                  | 3,298                        | (2,120)                       | (27,295)                                                 | 57,783                                   | 2,470                                      | 60,253                    |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 and the accompanying notes attached to this report)