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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
30 SEPTEMBER 2013

The Board of Directors of HEXAGON HOLDINGS BHD wishes to announce the unaudited results of the Group for the period ended 30 September 2013 as follows:-

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	FYE 2013	FYE 2012	FYE 2013	FYE 2012
	Current Year Quarter	Current Quarter Ended	9 months cumulative to date	9 months cumulative to date
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	RM'000
Revenue	1,087	1,086	2,750	N/A
Cost of Sales	(567)	(598)	(1,628)	N/A
Gross Profit	520	488	1,122	N/A
Other Income	361	168	1,115	N/A
Selling & Distribution Expenses	10	(118)	(70)	N/A
Administration and General Expenses*	(500)	(737)	(54,291)	N/A
Foreign Exchange Gain Loss	4	(22)	14	N/A
Impairment Loss on Receivables	0	0	0	N/A
Deconsolidation Gain / (Losses)	0	0	0	N/A
Profit / (loss) from Operations	395	(221)	(52,110)	N/A
Finance Costs	(611)	(576)	(1,834)	N/A
Share of profit / (loss) of associates	0	0	0	N/A
Loss before tax	(216)	(797)	(53,944)	N/A
Taxation	0	(103)	0	N/A
Loss after tax	(216)	(900)	(53,944)	N/A
Attributable to:				
Equity holders of the parents	(216)	(900)	(53,944)	N/A
Non-controlling interest	0	0	0	N/A
Net Loss for the period	(216)	(900)	(53,944)	N/A
EPS/(LPS) - (Sen)	(0.16)	(0.68)	(40.65)	N/A
Diluted (LPS) - (Sen)	(0.11)	N/A	(27.50)	N/A

* The YTD expenses included an exceptional provision of RM52.5 million of corporate guarantee provided to various financial institutions for various bank facilities obtained by its former subsidiaries.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
30 SEPTEMBER 2013

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND
YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

	FYE 2013	FYE 2012	FYE 2013	FYE 2012
	Current Year Quarter	Current Quarter Ended	9 months cumulative to date	9 months cumulative to date
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	Unaudited RM'000	RM'000	Unaudited RM'000	RM'000
Loss for the period	(216)	(900)	(53,944)	N/A
Foreign currency translation differences arising from consolidation	0	0	0	N/A
Total comprehensive loss	(216)	(900)	(53,944)	N/A
Total comprehensive loss attributable to:				
Equity holders of the Company	(216)	(900)	(53,944)	N/A
Non-controlling Interest	0	0	0	N/A
	(216)	(900)	(53,944)	N/A

CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS AS AT 30 SEPTEMBER 2013

	As at 30 September 2013	As at 31 December 2012
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	1,053	1,180
Investments in Associates	0	0
Goodwill on Consolidation	0	0
Deferred Tax Assets	0	0
Development Expenditure	0	0
	1,053	1,180
Current Assets		
Inventories	0	0
Other Investments	0	0
Derivative Assets	0	0
Trade and Other Receivables	15,586	17,392
Current Tax Assets	0	0
Cash and Cash equivalents	584	343
	16,170	17,735
Total Assets	17,223	18,915
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Parent		
Share Capital	66,348	66,348
Other Reserves	12,346	12,346
Accumulated Losses	(155,938)	(100,704)
Shareholders' Fund	(77,244)	(22,010)
Non-controlling Interest	0	0
Total Equity	(77,244)	(22,010)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS AS AT 30 SEPTEMBER 2013
 (CONTINUED)**

	As at 30 September 2013	As at 31 December 2012
	(Unaudited)	(Audited)
	RM'000	RM'000
LIABILITIES		
Non Current Liabilities		
Provision for Retirement Benefits	0	0
Long Term Borrowings	0	13
Deferred Tax Liabilities	9	0
	9	13
Current Liabilities		
Trade & Other Payables	54,308	2,495
Provision for Retirement Benefits	0	0
Overdraft & Short Term Borrowings	40,145	38,354
Current Tax Liabilities	5	63
	94,458	40,912
Total Liabilities	94,467	40,925
Total Equity and Liabilities	17,223	18,915
Net Asset per share	(Sen)	
	(58)	(17)

The Consolidated Statements of Financial Positions should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



HEXAGON HOLDINGS BERHAD (Company No.: 280116-H)
Incorporated in Malaysia

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

←----- Attributable to equity holders of the Company ----->

←-----Non-distributable----->

	Share Capital	Other Capital Reserve	Exchange Reserve	Warrant Reserve	Share Based Payment Reserve	Retained Earnings / (Accumulated losses)	Total	Non - controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2013	66,348	1,095	-	9,519	1,732	(100,704)	(22,010)	-	(22,010)
Foreign currency translation	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(55,234)	(55,234)	-	(55,234)
Total comprehensive loss for the period	-	-	-	-	-	(55,234)	(55,234)	-	(55,234)
Transaction with owners in their capacity as owners :									
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2013	66,348	1,095	-	9,519	1,732	(155,938)	(77,244)	-	(77,244)

The Consolidation Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



HEXAGON HOLDINGS BERHAD (Company No.: 280116-H)
Incorporated in Malaysia

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

←----- Attributable to equity holders of the Company ----->

←-----Non-distributable----->

	Share Capital	Other Capital Reserve	Exchange Reserve	Warrant Reserve	Share Based Payment Reserve	Retained Earnings / (Accumulated losses)	Total	Non - controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Restated Balance as at 1 April 2011	66,348	1,095	(1,196)	9,519	1,732	(24,683)	52,815	18,934	71,749
Foreign currency translation	-	-	-	-	-	-	-	-	-
(Loss) / Profit for the period	-	-	-	-	-	(99,479)	(99,479)	-	(99,479)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(99,479)	(99,479)	-	(99,479)
Transaction with owners in their capacity as owners :									
Changes in ownership interest in a subsidiary	-	(1,095)	1,556	-	-	30,936	31,397	(18,934)	12,463
Total transaction with owners	-	(1,095)	1,556	-	-	30,936	31,397	(18,934)	12,463
Balance as at 30 September 2012	66,348	-	360	9,519	1,732	(93,226)	(15,267)	-	(15,267)

The Consolidation Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
30 SEPTEMBER 2013

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER
2013**

	FYE 2013	FYE 2012
	Year-to-date ended (9 months) 30 September 2013	Year-to-date ended (21 months) 31 December 2012
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(53,944)	(68,233)
Adjustments for:-		
Amortisation of development expenditure	-	84
Bad debt written off	-	641
Unrealised (gain) / loss on foreign exchange	-	(336)
Depreciation of property, plant and equipment	141	10,468
Deposits written off	-	248
Property, plant and equipment written off	-	78
Gain on disposal of property, plant and equipment	-	(666)
Gain on deconsolidation of subsidiaries under liquidation	-	(210,840)
Impairment losses on :		
- investment, property, plant and equipment	-	34,133
- amount due from former subsidiaries	-	72,673
- trade and other receivables	-	100,520
- goodwill on consolidation	-	2,035
Interest expenses	1,834	15,542
Interest income	-	(394)
Fair value adjustment on derivative instruments	-	106
Provisions for retirement benefits	-	980
Share of (profit) / loss of associates	-	(501)
Inventories written off	-	2,792
Operating (loss) / profit before changes in working capital	(51,969)	(40,670)
Changes in working capital		
Decrease / (Increase) in inventories	-	13,701
Decrease / (Increase) in trade and other receivables	1,806	(41,700)
Increase / (Decrease) in trade and other payables	50,523	89,102
Cash generated from operations	360	20,433
Tax paid	(58)	(2,299)
Interest received	-	394
Interest paid	(8)	(736)
Net cash from operating activities	294	17,792

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER
2013 (CONTINUED)**

	FYE 2013	FYE 2012
	Year-to-date ended (9 months)	Year-to-date ended (21 months)
	30 September 2013 (Unaudited)	31 December 2012* (Audited)
	RM'000	RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment in associates	-	-
Net cash inflow from deconsolidation of subsidiaries under liquidation	-	27,418
Acquisition of additional interest in subsidiary	-	-
Purchase of property, plant and equipment	(16)	(2,854)
Proceeds from disposal of property, plant and equipment	-	2,149
Net cash flow from / (used in) investing activities	(16)	26,713
CASH FLOW USED IN FINANCING ACTIVITIES		
Withdrawals / (Placements) of pledged fixed deposits	-	-
Repayment of hire purchase liabilities	(37)	(1,587)
Drawdown of short term borrowings	-	-
Repayments of short term borrowings	-	(52,405)
Drawdown of term loans	-	-
Repayments of term loans	-	-
Net cash flow used in financing activities	(37)	(53,992)
Net increase /(decrease) in Cash & Cash Equivalents	241	(9,487)
Cash & Cash Equivalents at beginning of period – Note (a)	343	10,158
Effect of exchange rate changes on cash and cash equivalents at beginning of the financial year	-	(328)
Cash & Cash Equivalents at end of period - Note (b)	584	343

The Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
 30 SEPTEMBER 2013

	FYE 2013 Year-to-date ended (9 months) 30 September 2013	FYE 2012 Year-to-date ended (21 months) 31 December 2012
	RM'000	RM'000
Note (a)		
Cash & Cash Equivalents at beginning of period		
Cash & cash equivalents	343	64,565
Less : Pledged fixed deposits	-	(31,934)
Cash and bank balances	343	32,631
Bank overdraft	-	(22,473)
	343	10,158
Note (b)		
Cash & Cash Equivalents at end of period		
Cash & cash equivalents	584	343
Less : Pledged fixed deposits	-	-
Cash and bank balances	584	343
Bank overdraft	-	-
	584	343

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) 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 of the Group for the financial year ended 31 December 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 December 2012 except for the adoption of the following new revised MFRSs.

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations

The Group adopted the following new and amended MFRSs and IC Interpretations:-

MFRS 10:	Consolidated Financial Statements
MFRS 11:	Joint Arrangements
MFRS 12:	Disclosure of Interest in Other Entities
MFRS 13:	Fair Value Measurement
MFRS 119:	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127:	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128:	Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1:	First-time adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 7:	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10:	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11:	Joint Arrangement: Transition Guidance
Amendments to MFRS 12:	Disclosure of Interest in Other Entities: Transition Guidance
Amendments to MFRS 101:	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116:	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132:	Financial Instruments: Presentations (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134:	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
IC Interpretation 20:	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and amendments are not expected to have any impact on the financial statements of the Group.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretation issued by the MASB are relevant to the Group, however, they have not been early adopted in this set of financial statements.

Amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10:	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12:	Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127:	Separate Financial Statements: Investment Entities
Amendments to MFRS 132:	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

MFRS and Amendments effective for annual periods beginning on or after 1 January 2015

MFRS 9:	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9:	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The Directors anticipate that the adoption of above new/revised MFRS, amendments to MFRS and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

3. QUALIFICATION OF AUDIT REPORT FOR THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 31 December 2012 was subject to qualification.

4. SEASONAL / CYCLICAL FACTORS

The Group's operations are not affected materially by any seasonal / cyclical factors.

5. UNUSUAL ITEMS THAT AFFECT THE FINANCIAL STATEMENTS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence of the Group for the period, except the provisions of RM52.5 million of corporate guarantee provided to various financial institutions for various bank facilities obtained by its former subsidiaries.

6. MATERIAL CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in the prior financial years that have a material effect in the current interim period.

7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

8. DIVIDEND PAID

There was no payment of dividend for the quarter ended 30 September 2013.

9. SEGMENTAL REPORTING

The Group's segmental report for the current quarter and financial year-to-date are as follows:-

	Current Quarter Ended	9 months cumulative to date
	30 September 2013	30 September 2013
	RM'000	RM'000
Segmental Revenue		
Manufacturing		
- Retail solutions	-	-
- Semiconductor	-	-
Trading and service	1,087	2,750
Engineering	-	-
Investment income	-	-
	<u>1,087</u>	<u>2,750</u>
Eliminations	-	-
Group Revenue	<u>1,087</u>	<u>2,750</u>

	Current Quarter Ended	9 months cumulative to date
	30 September 2013	30 September 2013
	RM'000	RM'000
Segmental Results		
Manufacturing		
- Retail solutions	-	-
- Semiconductor	-	-
Trading and service	370	506
Engineering	-	-
Investment income [^]	25	(52,616)
	<u>395</u>	<u>(52,110)</u>
Eliminations	-	-
Profit / (loss) from operations	<u>395</u>	<u>(52,110)</u>

10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current quarter. The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

11. SUBSEQUENT EVENT

There was no material event subsequent to the end of the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter.

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE

As result of consistent product loading by the main customer, the Group's revenue for current quarter was comparable with last corresponding period at RM1.08 million.

With lower marketing and administrative expenses, the group managed to reduce its Loss After Tax ("LAT") from RM0.90 million in the last period to RM0.22 million in current period. The negative performance was mainly due to the quarterly interest provision of RM0.61 million.

15. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AS COMPARED TO THE PRECEDING QUARTER

	<u>Current Quarter</u>	<u>Preceding Quarter ended 30 June 2013</u>
	RM'000	RM'000
Revenue	1,087	907
Loss after tax	(216)	(52,890)

Current quarter's revenue improved to RM1.09 million from RM0.91 million of the preceding quarter, this increase was mainly due to the improved loading volume from customer under the trading and services division.

LAT in current quarter was significantly lower compared to the preceding quarter, there was a provisions of RM52.5 million of corporate guarantee provided to various financial institutions for various bank facilities obtained by its former subsidiaries.

16. PROSPECTS

As a result of admission to PN17, the Company is required to submit a regularization plan to Bursa Malaysia Securities Berhad/Securities Commission within 12 months from 28 February 2013.

The Board is currently working with our financial Advisors to address these issues. We hope to resolve these issues in the best interests of all stakeholders.

17. TAXATION

	<u>Current Quarter</u>	<u>Year to date</u>
	RM'000	RM'000
Loss before tax	(216)	(53,944)
Taxation	0	0
Effective tax rate	0%	0%

The taxation charge to the Income Statement consists of :

	<u>Current Quarter</u>	<u>Year to date</u>
	RM'000	RM'000
Income tax	0	0

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30
 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF
 BURSA MALAYSIA SECURITIES BERHAD

Deferred taxation	0	0
	<u>0</u>	<u>0</u>

The estimated effective tax rate is Nil as compared to the the statutory tax rate.

18. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no other sales nor profits/(losses) on any sale of unquoted investments and properties for the current quarter and financial year-to-date.

19. QUOTED SECURITIES

There were no purchase and disposal of quoted securities by the Group for the current quarter and financial year-to-date.

20. CORPORATE PROPOSALS

There are no outstanding corporate proposals for the current quarter and financial year-to-date.

21. GROUP BORROWINGS

The Group borrowings are secured against corporate guarantees given by the company, charges over the landed properties, fixed deposits pledged and negative pledged over the Group's assets.

	As at September 2013
	<u>RM'000</u>
Short Term Borrowings	
Bills Payable	0
Revolving Credits	0
Bank Overdraft	0
Others	0
Hire Purchase	30
Term Loans - Current portion	40,115
	<u>40,145</u>
Long Term Borrowings	
Hire Purchase	0
Term Loans – Long term portion	0
	<u>0</u>
Total Group Borrowings	<u>40,145</u>

All borrowings are denominated in local currency.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the reporting date.

23. CHANGES IN MATERIAL LITIGATION

The following are material litigations against the Group as at the reporting date.

a) Winding Up Petition Against Hexagon Tower Sdn Bhd ("HTSB") by Hartanah Construction and Development Sdn Bhd ("Hartanah")

On 12 March 2012, a winding-up petition pursuant to Section 218 of the Companies Act, 1965 (the "Act") was served on Hexagon Tower Sdn Bhd ("HTSB"), a wholly-owned subsidiary of the Company by Hartanah Construction and Development Sdn Bhd (Company No 922659-W) ("Petitioner") (the "Petition"). The Petition was dated 7 March 2012 and heard at the High Court of Sabah and Sarawak in Kuching on 26 March 2012. The total amount claimed by Petitioner against HTSB for non-payment of provision of goods and services due and owing by HTSB to the Petitioner based on the Notice pursuant to Section 218 (1) of the Act is RM140,476.67 with no interest claimed ("Outstanding Amount").

HTSB had obtained a Restraining Order under Section 176 of the Act ("RO") as announced on 19 January 2012 and subsequent announcements for the extension of the same. The RO restrains all legal proceedings against HTSB.

On 3 July 2012, a Winding-Up Order of KCH-28-9/2/2012 dated 24 May 2012 ("Winding-Up Order") made under the High Court in Sabah and Sarawak at Kuching was obtained by Arthur Lee, Lin & Co Advocates, solicitors for the petitioner, Hartanah Construction and Development Sdn Bhd. HTSB has received legal advice that there are sufficient grounds for filing an application to set aside and/or alternatively stay the Winding-Up Order. As such, HTSB has instructed its solicitors to file an application to set aside and/or alternatively stay the Winding-Up Order.

On 14 September 2012, the High Court in Sabah and Sarawak at Kuching had dismissed the application of the Company and HTSB, to set aside the winding-up order made under the Companies (Winding-Up) No. KCH-28-9/2/2012 dated 24 May 2012 against HTSB with costs of RM5,000 to be paid by the Company to the Petitioner, Hartanah Construction and Development Sdn Bhd.

On 9 January 2013, the Company has announced that the High Court in Sabah and Sarawak at Kuching has on 14 December 2012 granted an order of to appoint, Mr Subramaniam A/L A.V. Sankar ("Liquidator") as liquidator to replace the Official Receiver of Hexagon Tower Sdn Bhd (In Liquidation) ("HTSB"), a wholly owned subsidiary company of the Company.

b) Members' Voluntary Winding Up of Advance Metal Substrate Technology Sdn. Bhd

On 8 June 2012, the Company announced that Advance Metal Substrate Technology Sdn. Bhd. ("AMST"), a subsidiary company of the Company had been placed under a Members' Voluntary Winding Up pursuant to a special resolution passed at the Extraordinary General Meeting ("EGM") held on 8 June 2012 in accordance with Section 254 (1) (b) of the Companies Act, 1965.

AMST is in the business of manufacturing of lead-frames and the provision of inspection services

and is currently inactive. The Members' Voluntary Winding Up is part of Hexagon Group's initiative to focus on other main businesses.

c) Prima Uno Berhad ("Prima Uno") and Malaysians Trustees Berhad ("MTB") Served a Statutory Notice of 218 to Hexagon Holdings Bhd

The Company announced that on 30 April 2013, a Statutory Notice dated 29 April 2013 had been served on the Company by Messrs Adnan Sundra & Low acting for Prima Uno Berhad ("Prima Uno") and Malaysians Trustees Berhad ("MTB") and demanding payment of a sum of RM39,291,536.30 as at 25 April 2013 with interest. The Company is given fourteen (14) days from the receipt of the Statutory Notice to pay the aforesaid sum, failing which, a winding-up proceeding may be filed against HHB.

The term loan is a primary collateral loan obligation obtained by the Company on 8 January 2007, under the agreement, the loan is scheduled to fall due on 26 January 2012. The Company, via a letter issued on 9 January 2012 to the lender, had sought an indulgence for an informal standstill until the Company undertakes to restructure the debt. Subsequent to the request and pending the debt restructuring, an informal standstill was observed by the lender.

The management is of the view that the reason leading to the filing of Statutory Notice was due to the delay by the Company in implementing its proposed debt restructuring, owing to changes of circumstances such as:-

- i. Winding-Up Order ("Winding Up") issued under the High Court in Sabah and Sarawak at Kuching to Hexagon Tower Sdn Bhd ("HTSB"), a wholly-owned subsidiary of the Company and,
- ii. A Summary Judgement obtained by Standard Chartered Bank Malaysia Bhd ("SCB") against Polymer Composite Asia Sdn Bhd ("PCA"), PCA is a wholly-owned subsidiary company of HTSB which in turn is a wholly-owned subsidiary company of the Company.

On 6 June 2013, the Company received a letter of demand from the solicitor acting for Prima Uno and MTB, demanding payment of a sum of RM34,291,536.30 as at 25 April 2013 with interest.

In the same Demand, the solicitor informed HHB to disregard the Statutory Notice of Section 218 dated 29 April 2013, which has been served to the Company on 30 April 2013 and the Company has subsequently announced on 3 May 2013 and 7 May 2013.

On 26 June 2013, the Company announced that, the solicitor acting for Prima Uno and MTB, issued a Demand Letter dated 25 June 2013 ("Demand") to HHB informing that as HHB has failed in paying the loan sum together with the interest amounting of RM34,291,536.30 as at 25 April 2013 under the Facility on the repayment date as stated in the previous letter of demand dated 4 June 2013, the Facility was hereby being terminated and recalled.

On 1 November 2013, a Writ and Statement of Claim dated 30 October 2013 demanding payment of a sum of RM34,837,456.38 had been served on the Company, fixed the hearing dated at the High Court of Kuala Lumpur on 12 November 2013.

The Case Management held on 12 November 2013, the Court has fixed this matter for a further Case Management on 6 December 2013 for parties to file in their written submissions.

The Company has already appointed legal counsel to defend against and/or set aside the aforesaid Letter of Demand.

d) Letters of Demand by Malayan Banking Berhad (“MBB”)

The Company announced that, a Letter of Demand (“Demand”) dated 15 May 2013 had been served on the Company by Messrs Rahmat Lim & Partners acting for Malayan Banking Berhad (“MBB”) demanding payment of a sum of RM40,599,049.06 (as at 30 April 2013) with the continuing interest at the interest rate of BLR + 2.50% per annum (inclusive of the 1% per annum default interest).

The reason leading to the Demand was due to the delay by HTSB in the repayment of the outstanding amounts due and owing under the various banking facilities granted by MBB and HHB have provided guarantees and would need to repay on demand all moneys which now are or during the operation of the corporate guarantees to be due and owing by HTSB.

The Company has already appointed legal counsel to defend the claim.

On 7 June 2013, the Company announced that a Letter of Demand (“Demand”) dated 30 May 2013 had been served on the Company by Messrs Rahmat Lim & Partners acting for MBB demanding payment of a sum of RM5,209,071.56 (as at 19 May 2013) due and owing under the Term Loan Facility dated 2 November 2012.

The reason leading to the Demand was due to the delay by HHB in the repayment of the outstanding amounts due and owing under the Term Loan Facility granted by MBB.

For above 2 letters of demand, the Company had on 16 July 2013 announced that, a Writ of Summon and Statement of Claim dated 12 July 2013 had been served on the Company by Messrs Rahmat Lim & Partners acting for MBB and hearing dated was fixed on 24 July 2013 at the High Court of Kuala Lumpur.

Further to Case Managements and hearings held on 24 July 2013, 13 August 2013 and 20 August 2013, 17 September 2013, 23 October 2013, 28 October 2013 and the Hearing held on 8 November 2013, the High Court has allowed the Plaintiff’s Application on the following terms:-

1. that the Defendant pays to the Plaintiff the sum of RM40,599,049.46 due and owing pursuant to the Corporate Guarantees as at 30 April 2013;
2. that the Defendant pays to the Plaintiff interest over the sum of RM40,599,049.46 at the rate of BLR +2.50% per annum (inclusive 1% p.a. default interest) on a daily basis from 1 May 2013 until date of full realisation;
3. that the Defendant pays to the Plaintiff the sum of RM5,209,071.56 as the sum due and owing to the Plaintiff pursuant to the Term Loan Facility as at 19 May 2013;
4. that the Defendant pays to the Plaintiff interest over the sum of RM5,209,071.56 at the rate of Cost of Funds (“COF”) + 1.5% per annum (inclusive 1% p.a. default interest) on a daily basis from 20 May 2013 until full realisation; and
5. costs on a solicitor and client basis.

The Company is currently seeking legal advice as regards to the merit of filing an appeal against the decision of the High Court

e) Letter of Demand (“Demand”) from Standard Chartered Bank Malaysia Bhd (“SCB”)

On 2 July 2013, the Company announced that a Letter of Demand (“Demand”) dated 1 July 2013 had been served on the Company by Messrs Adnan Sundra & Low (the “Solicitor”) acting for Standard Chartered Bank Malaysia Berhad (“SCB”) demanding payment of a sum of RM18,330,323.47 as at 26 June 2013 due and owing under the Banking Facilities granted by SCB to Hexagon Tower Sdn Bhd (“HTSB”) (In Liquidation) which was the wholly owned subsidiary company of HHB prior to its liquidation

The reason leading to the Demand was due to the winding up of HTSB which thereby committed an event of default under the Facilities and HHB has guaranteed the repayment on demand of all monies owing or incurred by HTSB to SCB pursuant to the Corporate Guarantee dated 17 September 2007 duly executed by HHB.

On 23 August 2013, the Company announced that a Notice of Defaults (“Notice”) with respect to Charge Presentation No. 33104/2010 dated 22 August 2013 pursuant to Section 254 of the National Land Code 1965 had been served on Polymer Composite Asia Sdn Bhd (“PCA”), a wholly owned subsidiary company of HTSB which was the wholly owned subsidiary company of HHB prior to its liquidation by the Solicitor of SCB.

On 23 September 2013, a sealed copy of “Saman Pemula” dated 18 September 2013 had been served on PCA. The High Court of Seremban (“Court”) has fixed the matter for hearing on 23 October 2013.

Further to Case Managements on 23 October 2013 and 6 November 2013, the Court has fixed the hearing of the Order for Sale Application on 13 December 2013.

The Company has already appointed legal counsel to defend the claim.

f) Letter of Demand (“Demand”) By Bank Muamalat Malaysia Berhad (“BMMB”)

On 6 August 2013, the Company announced that, two Letters of Demand (“Demand”) dated 22 July 2013 had been served on the Company by Messrs Shearn Delamore & Co (the “Solicitor”) acting for Bank Muamalat Malaysia Berhad (“BMMB”).

The Solicitor acting for BMMB is demanding payment of

- i. A sum of RM9,272,057.32 due and owing as at 12 July 2013 together with continuing compensation charges and all other applicable continuing costs, charges and expenses to BMMB. The Banking Facility was granted to Hexagon Tower Sdn Bhd (“HTSB”) (“In Liquidation”) which was the wholly owned subsidiary company of HHB prior to its liquidation. The Facility is secured by inter alia a Corporate Guarantee executed by HHB.

The reason leading to the Demand was due to the winding up of HTSB which thereby committed an event of default under the Facility and HHB has guaranteed the repayment on demand of all monies owing or incurred by HTSB to BMMB pursuant to the Corporate Guarantee duly executed by HHB.

- ii. A sum of RM2,652,920.84 due and owing as at 12 July 2013 together with continuing compensation charges and all other applicable continuing costs, charges and expenses to BMMB. The Banking Facility was granted to Advanced Metal Substrate Technology Sdn Bhd (“AMST”) (“In Liquidation”) which was the wholly owned subsidiary company of HHB prior to its liquidation. The Facility is secured by inter alia a Corporate Guarantee executed by HHB.

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SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF
BURSA MALAYSIA SECURITIES BERHAD

The reason leading to the Demand was due to the winding up of AMST which thereby committed an event of default under the Facility and HHB has guaranteed the repayment on demand of all monies owing or incurred by AMST to BMMB pursuant to the Corporate Guarantee duly executed by HHB.

Further to the announcements made on 6 August 2013, 21 August 2013, 28 August 2013, 11 September 2013, 8 November 2013 and also the Hearing held on 12 November 2013, the High Court has allowed the Plaintiff's Application on the following terms:-

1. that the Defendant do pay to the Plaintiff the sum of RM2,652,920.84 due and outstanding as at 12 July 2013 on the Muamalat Restructuring (Tawarruq)-i Facility availed and granted to AMST which was the wholly owned subsidiary company of HHB prior to its liquidation;
2. that the Defendant do pay to the Plaintiff the compensation for late payment on the overdue amount of RM512,232.61 or balance thereof at 1% per annum from 13 July 2013 until the maturity of the Financing on 15 August 2016 and thereafter at the Interbank Islamic Money Market Rate (IMMR) (Currently at 2.91% per annum) on the Principal Outstanding of RM1,870,589.05 or balance thereof until the date of full and final settlement;
3. that the Defendant do pay to the Plaintiff the sum of RM9,272,057.32 due and outstanding as at 12 July 2013 on Muamalat Restructuring (Tawarruq)-i Facility availed and granted to HTSB which was the wholly owned subsidiary company of HHB prior to its liquidation;
4. that the Defendant do pay to the Plaintiff the compensation for late payment on the overdue amount of RM2,954,227.84 or balance thereof at 1% per annum from 13 July 2013 until the maturity of the Financing on 15 October 2015 and thereafter at the Interbank Islamic Money Market Rate (IMMR) (Currently at 2.91% per annum) on the Principal Outstanding of RM7,751,738.71 or balance thereof until the date of full and final settlement;
5. costs of RM4,000.00 to be paid by the Defendant to the Plaintiff.

HHB is currently seeking legal advice as regards to the merit of filing an appeal against the decision of the High Court.

g) Ambank (M) Berhad ("Plaintiff") v. Polymer Composite Asia Sdn Bhd ("PCA" or "Defendant 1") & Hexagon Holdings Berhad ("HHB" or "Defendant 2")

On 14 August 2013, the Company announced that on 13 August 2013, the Sealed Order for the Judgement of the above civil suit was received by HHB from Messrs Amin-Tan & Co acting for Ambank (M) Berhad ("Plaintiff").

The Plaintiff has granted a Revolving Credit Facility for RM2,543,675.07 and Bankers Acceptance Facility for RM5,312,117.31 (the "General Banking Facilities") to Polymer Composite Asia Sdn Bhd ("PCA" or "Defendant 1"). PCA is a wholly-owned subsidiary company of Hexagon Tower Sdn Bhd ("HTSB") ("In Liquidation") which was the wholly owned subsidiary company of HHB prior to its liquidation. The Banking Facilities are secured by, amongst others, a corporate guarantee issued by HHB.

The Plaintiff had on 10 April 2013 filed its application for summary judgment against PCA and HHB (collectively the "Defendants"). On 26 June 2013, the Plaintiff's application for summary judgment was heard and allowed for a sum of RM7,855,792-38 as at 7 February 2013 together

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30
SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF
BURSA MALAYSIA SECURITIES BERHAD

with the interest to be calculated from 8 February 2013 until full realisation and with cost of RM2,000.00 per Defendant ("Judgment").

The Court further directed Ambank's solicitors to withhold legal proceedings pending the process of Corporate Debt Restructuring Committee's ("CDRC") facilitating the debt restructuring process.

On 29 October 2013, the Appellant Court has allowed the Company appeal against the High Court Order in granting the Judgment to the Plaintiff. Consequently, this matter will proceed for trial at the High Court.

h) JCL Credit Leasing Sdn Bhd ("Plaintiff") v. Hexagon Holdings Berhad ("the Company" or "Defendant")

On 25 October 2013, the Company announced that a Letter of Demand ("Demand") dated 21 October 2013 had been served on the Company by Messrs Arifin & Partners acting for JCL Credit Leasing Sdn Bhd (f.k.a. Jerneh Credit Leasing Sdn Bhd ("JCL") demanding payment of a sum of RM878,218.02 as at 18 October 2013 together with the interest at the rate of 7.14% per annum on daily basis due and owing under the Hire Purchase Facility granted by JCL. The Hire Purchase Facility was granted to Advance Metal Substrate Technology Sdn Bhd ("AMST") ("In Liquidation) which was a subsidiary company of HHB prior to its liquidation. The Facilities are secured by inter alia Guarantee / Indemnity Agreement dated 31 December 2005 and Supplementary Agreement dated 30 September 2009 duly executed by HHB.

On 12 November 2013, a Writ of Summon and Statement of Claim dated 31 October 2013 had been served on the Company by JCL's solicitor and this shall be heard at the High Court of Kuala Lumpur on 28 November 2013.

HHB is in the midst of seeking legal advice to defend against the aforesaid Demand.

24. PROPOSED DIVIDEND

No dividend has been declared nor proposed for the current quarter.

25. EARNINGS PER SHARE ("EPS")

	Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Net Loss (RM'000)	(216)	(900)	(53,944)	N/A

BASIC EARNINGS PER SHARE

Weighted average number of ordinary shares in issue ('000)	132,695	132,695	132,695	132,695
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

Earnings / (Loss) per Share – (Sen)	(0.16)	(0.68)	(40.65)	N/A
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DILUTED EARNINGS PER SHARE

Adjustment for warrant conversion	63,476	63,476	63,476	63,476
Adjusted weighted average number of ordinary shares in issue ('000)	196,171	196,171	196,171	196,171
Loss per Share – (Sen)	*	*	*	*

* ANTI-DILUTIVE

26. RETAINED EARNINGS / (ACCUMULATED LOSSES)

	As at 30 September 2013	As at 30 June 2013
	RM'000	RM'000
Total accumulated losses of the company and its subsidiaries :		
- Realised	(159,789)	(159,573)
- Unrealised	9	9
	<u>(159,780)</u>	<u>(159,564)</u>
Total share of retained profit / (accumulated losses) from associated companies :		
- Realised	-	-
	<u>(159,780)</u>	<u>(159,564)</u>
Consolidation adjustments	3,842	3,903
Total group accumulated losses as per consolidated accounts	<u>(155,938)</u>	<u>(155,661)</u>

27. ADDITIONAL NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
30 September 2013	30 September 2012	30 September 2013	30 September 2012
RM'000	RM'000	RM'000	RM'000

(Loss) / profit for the period / year is

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30
SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF
BURSA MALAYSIA SECURITIES BERHAD

arrived at the charging / (crediting):

Interest income	-	-	-	N/A
Other income	361	190	1,143	N/A
Interest expenses	(611)	(576)	(1,834)	N/A
Depreciation and amortization	(51)	(13)	(141)	N/A
Provision for and write off of				
- Receivables	-	-	-	N/A
- Inventories	-	-	-	N/A

**ADDITIONAL NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME REQUIRED BY THE BURSA
MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)**

	Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
(Gain) / loss on disposal of				
- Property, plant and equipment	-	-	-	N/A
- Investments	-	-	-	N/A
Impairment of property, plant and equipment	-	-	-	N/A
Foreign exchange (gain) or loss	(4)	22	14	N/A

By Order of the Board,

TAN BENG WAN
Executive Chairman and Group Chief Executive Officer

Date : 27 November 2013