

PESTECH INTERNATIONAL BERHAD

(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2012

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended	Preceding year quarter ended	Current year to date	Preceding year to date
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Revenue	52,041	N/A	136,098	132,048
Cost of sales	(34,584)	N/A	(96,747)	(104,685)
Gross profit	17,457	N/A	39,351	27,363
Other income	1,371	N/A	4,131	1,976
Administration expenses	(6,247)	N/A	(19,281)	(10,652)
Profit from operations	12,581	N/A	24,201	18,687
Finance costs	(250)	N/A	(1,162)	(1,319)
Profit before taxation	12,331	N/A	23,039	17,368
Income tax expense	(3,034)	N/A	(6,406)	(4,682)
Profit for the period	9,297	N/A	16,633	12,686
Other comprehensive income:				
Exchange translation differences	-	N/A	59	22
Other comprehensive losses:				
Corporate expenses	-	N/A	-	-
Exchange translation differences	(7)	N/A	(113)	-
Total comprehensive income for the year	9,290	N/A	16,579	12,708
Attributable to :				
Equity holders of the Company	9,277	N/A	16,580	12,711
Non-controlling interest	13	N/A	(1)	(3)
	9,290	N/A	16,579	12,708
EBITDA	13,264	N/A	25,851	19,515
Earnings Per Share (Sen)				
- Basic (Sen)	11.52	N/A	20.59	25.00
- Diluted (Sen)	N/A	N/A	N/A	N/A

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(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2012

Notes:

- 1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 10 May 2012 and the accompanying explanatory notes attached to the interim financial report.
- 2) No comparative figures are available for the preceding year as this is the fourth quarterly report to Bursa Malaysia Securities Berhad after the company listed on 30 May 2012.

PESTECH INTERNATIONAL BERHAD
(Co. No. 948035-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Unaudited As At 31 Dec 2012	Audited As At 31 Dec 2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,689	10,144
Current assets		
Inventories	14,861	17,483
Trade receivables	54,081	21,087
Other receivables, deposits and prepayments	4,760	2,375
Amount due from contract customers	19,495	-
Amount due from jointly-controlled entity	13	11
Fixed deposits with licensed banks	5,868	11,153
Cash and bank balances	14,633	15,738
Total current assets	113,711	67,847
Total assets	130,400	77,991
EQUITY AND LIABILITIES		
Equity		
Share capital	42,940	36,500
Share premium	5,697	-
Merger reserve	(33,137)	(33,137)
Exchange translation reserve	(70)	(16)
Retained profits	50,066	35,494
	65,496	38,841
Non-controlling interest	(4)	(3)
Total equity	65,492	38,838
Liabilities		
Non-current liabilities		
Finance lease liabilities	1,473	188
Borrowings	1,837	2,405
Deferred tax liability	617	221
	3,927	2,814
Current liabilities		
Trade payables	31,319	14,865
Other payables	3,836	2,315
Amount due to contract customers	-	2
Amount due to directors	770	2,445
Finance lease liabilities	604	55
Borrowings	21,959	15,358
Provision for taxation	2,493	1,299
	60,981	36,339
Total liabilities	64,908	39,153
Total equity and liabilities	130,400	77,991
Net assets per share (Sen)	81.34	53.20

PESTECH INTERNATIONAL BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

Notes:

1. The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 10 May 2012 and the accompanying explanatory notes attached to the interim financial report.
2. The audited results for the Financial Year Ended (FYE) 31 December 2011 had included a subsidiary and associated company which are not part of the listing group. The disposals of the aforementioned subsidiary and associated company were completed during the FYE 31 December 2011.

PESTECH INTERNATIONAL BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2012

← Attributable to equity holders of the Company →

	Share capital	Share premium	Non- distributable Exchange translation reserve	Distributable Merger reserve	Distributable Retained earnings	Total	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jan 2012	36,500	-	(16)	(33,137)	35,494	38,841	(3)	38,838
Total comprehensive income	-	-	(54)	-	16,634	16,580	(1)	16,579
Transactions with owners:								
Issue of share capital	6,440	5,697	-	-	-	12,137	-	12,137
Dividend paid	-	-	-	-	(2,062)	(2,062)	-	(2,062)
Total transactions with owners	6,440	5,697	-	-	(2,062)	10,075	-	10,075
Balance as at 31 Dec 2012	42,940	5,697	(70)	(33,137)	50,066	65,496	(4)	65,492

Notes:

- The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 10 May 2012 and the accompanying explanatory notes attached to the interim report.
- No comparative figures are available for the preceding period/year as this is the fourth quarterly report to Bursa Malaysia Securities Berhad after the company listed on 30 May 2012.

PESTECH INTERNATIONAL BERHAD

(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Current year to date 31 Dec 2012 RM'000	Preceding year to date 31 Dec 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,744	17,368
Adjustments for:-		
Depreciation of property, plant and equipment	1,650	828
Interest expense	1,162	1,319
Interest income	(365)	(222)
Gain on disposal of property, plant and equipment	(54)	(250)
Loss on disposal of a subsidiary	-	214
Loss on disposal of an associate	-	2
Unrealised gain on foreign exchange	(1,051)	(355)
Unrealised loss on foreign exchange	1,582	-
Operating profit before working capital changes	27,668	18,904
Changes in working capital:-		
Inventories	2,622	(4,333)
Receivables	(37,521)	10,700
Payables	17,442	(20,593)
Amount due from a related company	(2)	-
Contract customers	(19,496)	967
Directors	(1,676)	1,819
Cash used in operations	(10,963)	7,464
Tax paid	(4,816)	(5,930)
Net cash (used in)/from operating activities	(15,779)	1,534
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	365	222
Advances made to jointly controlled entity	-	(6)
Disposal of subsidiary net of cash disposed	-	(16)
Proceeds from sale of property, plant and equipment	61	-
Purchase of property, plant and equipment	(6,100)	(904)
Share issuance expenses paid	-	(1,150)
Withdrawal of fixed deposits	5,623	-
Net cash used in investing activities	(51)	(1,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(687)	(325)
Corporate expenses paid	(1,705)	-
Interest paid	(1,162)	(1,319)
Issuance of shares	12,880	-
Placement of fixed deposits	-	(2,665)
Proceeds from borrowings	40,756	52,527
Repayment of borrowings	(33,966)	(46,173)
Repayment of finance lease liabilities	(274)	(270)
Net movement of bank balance pledged to financial institution	7,985	(4,729)
Net cash from /(used in) financing activities	23,827	(2,954)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Current year to date 31 Dec 2012 RM'000	Preceding year to date 31 Dec 2011 RM'000
CASH AND CASH EQUIVALENTS		
Net changes	7,997	(3,274)
Cash and cash equivalents at beginning of the year	1,235	4,417
Effect on foreign exchange translation	(72)	92
Cash and cash equivalents at end of the year	9,160	1,235

Notes:

- 1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 10 May 2012 and the accompanying explanatory notes attached to the interim financial report.
- 2) No comparative figures are available for the preceding period/year as this is the fourth quarterly report to Bursa Malaysia Securities Berhad after the company listed on 30 May 2012.

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Accounting Policies and Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). This is the fourth interim financial report on the combined results of the fourth quarter ended 31 December 2012 announced by the Company in compliance with the Listing Requirements and as such, there were no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 31 December 2011 as disclosed in the prospectus of the Company dated 10 May 2012 and the accompanying explanatory notes attached to the interim financial report.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company, its subsidiaries and jointly-controlled entity since the financial year ended 31 December 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the prospectus dated 10 May 2012 except for the adoption of new accounting standards.

A2. Adoption of new accounting standards

A2.1 First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

The audited consolidated financial statements of the Group for the financial year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards (“FRS”) as issued by the Malaysian Accounting Standards Board (“MASB”). Effective from 1 January 2012, the Group adopted MFRS as issued by the MASB. Consequently, this interim financial report represents the Group’s first time application of MFRS and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the annual consolidated financial statements for the financial year ending 31 December 2012 under the MFRS framework. These policies do not differ significantly from those used in the preparation of the Group’s audited consolidated financial statements for the financial year ended 31 December 2011.

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A2. Adoption of new accounting standards (Cont’d)

A2.2 MFRS, Amendments to MFRS and IC Interpretation issued but not yet effective

At the date of authorisation of the interim financial report, the following MFRS, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRS effective on 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standard (“IAS”) 19 as amended by IASB in May 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRS effective on 1 January 2013

MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
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Amendment to MFRS effective on 1 January 2014

MFRS 132	Offsetting Financial Assets and Financial Liabilities
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MFRS effective on 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)

A3. Seasonal or Cyclical Factors

The Group’s operations are not subjected to seasonal or cyclical factors.

A4. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter and the year ended 31 December 2012.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that have had a material effect in the current financial quarter and the year ended 31 December 2012.

A6. Changes in Debt and Equity Securities

There were no issuance, cancellation; repurchase, resale and repayments of debt and equity securities during the financial quarter and the year ended 31 December 2012.

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A7. Dividend Paid

The following interim dividend was paid during the period reported:

Interim dividend for financial year ended	31 December 2012
Date paid	15 October 2012
Number of ordinary shares on which dividends were paid ('000)	85,880
Dividend per share (single-tier)	0.8 sen
Net dividend paid (RM'000)	687

A8. Changes in Composition of the Group

On 9 March 2012, PESTECH Sdn. Bhd., a wholly-owned subsidiary of PESTECH International Berhad, incorporated and subscribed 96,000 shares representing 100% of the total issued and paid-up share capital of PESTECH Transmission Ltd., a company incorporated in Ghana, which is engaged in the provision of project management, electrical substations and transmission lines erection and installation, supervision of testing and commissioning and civil works for a cash consideration of GHS96,000. It is currently inactive.

On 2 April 2012, PESTECH Sdn. Bhd., a wholly-owned subsidiary of PESTECH International Berhad, acquired 2 shares representing 100% of the total issued and paid-up share capital of PESTECH (Sarawak) Sdn. Bhd., a company incorporated in Malaysia, which is engaged in the provision of electrical, mechanical and civil engineering, subcontracting and engineering for a cash consideration of RM2. It commenced business on 9 July 2012.

A9. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment during the financial quarter and the year ended 31 December 2012.

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A10. Segmental Information

The Group is organised into the following operating segments:-

	← Results for the quarter ended 31 December 2012 →				→
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	
Revenue					
Total Revenue	141	49,234	3,880	(1,214)	52,041
Inter-segment revenue	(141)	(708)	(365)	1,214	-
Revenue from external customer	-	48,526	3,515	-	52,041
Interest income	111	54	(11)	(112)	42
Finance costs	(112)	(260)	11	112	(249)
Net finance expense	(1)	(206)	-	-	(207)
Segment profit before taxation	2,177	11,382	1,350	(2,013)	12,896
Segment profit after taxation	2,164	8,174	1,537	(2,013)	9,862
	← Results for the year ended 31 December 2012 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
Total Revenue	564	115,598	22,032	(2,096)	136,098
Inter-segment revenue	(564)	(1,104)	(428)	2,096	-
Revenue from external customer	-	114,494	21,604	-	136,098
Interest income	441	299	59	(434)	365
Finance costs	(435)	(968)	(192)	434	(1,161)
Net finance expense	6	(669)	(133)	-	(796)
Segment profit before taxation	2,715	18,831	5,819	(2,621)	24,744
Segment profit after taxation	2,679	13,470	4,810	(2,621)	18,338

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A11. Income tax expense

	Current quarter ended 31 Dec 2012	Preceding quarter ended 31 Dec 2011	Current year to date 31 Dec 2012	Preceding year to date 31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Current year taxation	2,987	N/A	6,359	4,601
(Over) / Underprovision in prior year	(349)	N/A	(349)	81
Deferred taxation	396	N/A	396	-
	3,034	N/A	6,406	4,682

The effective tax rates of the Group were higher than the prevailing statutory tax rate due to certain expenses which are not deductible for tax purposes.

A12. Earnings Per Share

A12.1 Basic Earnings Per Share

The calculation of basic earnings per share for the financial period is based on the net profit attributable to equity holders of the parent company and divided by the weighted average number of ordinary shares outstanding during the financial period.

	Current quarter ended 31 Dec 2012	Preceding quarter ended 31 Dec 2011	Current year to date 31 Dec 2012	Preceding year to date 31 Dec 2011
Profit attributable to equity holders of the Company (RM'000)	9,277	N/A	16,580	N/A
Weighted average number of ordinary shares in issue ('000)	80,513	N/A	80,513	N/A
Basic earnings per share (Sen)	11.52	N/A	20.59	N/A

A12.2 Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial period under review.

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A13. Property, plant and equipment

During the current financial quarter ended 31 December 2012, the Group acquired assets at a cost of RM2.325 million.

A14. Trade receivables

The trade receivables of the Group are as follows:

	Current year to date 31 Dec 2012 RM'000	Preceding year to date 31 Dec 2011 RM'000
Trade Receivables	39,121	7,536
Retention sums on contracts	14,960	13,551
	54,081	21,087

A15. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprising the following at the current financial quarter and the year ended 31 December 2012:

	Current year to date 31 Dec 2012 RM'000	Preceding year to date 31 Dec 2011 RM'000
Cash and bank balances	14,633	15,738
Fixed deposits	5,868	11,153
Bank overdrafts	(4,417)	(5,124)
	16,084	21,767
Less : Fixed deposits and bank balance pledged to licensed financial institutions	(6,924)	(20,532)
	9,160	1,235

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A16. Borrowings and Debts Securities

Total Group borrowings as at 31 December 2012 were as follows:

	31 Dec 2012 RM'000	Preceding year to date RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	1,473	188
Term loans	1,837	2,405
	3,310	2,593
Current liabilities		
Secured:		
Finance lease liabilities	604	55
Term loans	95	298
Bank overdrafts	4,417	5,124
Banker acceptances	8,866	2,053
Trust receipts	8,581	7,883
	22,563	15,413
Total	25,873	18,006

The currency exposure profile of borrowings of the Group was as follows:-

	31 Dec 2012 RM'000	Preceding year to date RM'000
Ringgit Malaysia	20,564	11,143
Euro	-	559
United States Dollar	5,309	5,578
Great Britain Pound	-	28
Swiss Franc	-	562
Singapore Dollar	-	136
Total	25,873	18,006

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A17. Material Events Subsequent to the end of financial year reported

A17.1 Contract Awarded

PESTECH Sdn. Bhd., a wholly owned subsidiary of PESTECH International Berhad, was awarded the following contract:-

Date Awarded	Customer	Project Description
7 January 2013	Tenaga Nasional Berhad	Supply, erect and commissioning of 132kV and 33kV switchgear, 2 x 45MVA 132/33kV power transformer and ancillary equipment, complete with associated civil works for PMU Jerantut

The contract period of the abovementioned project is five hundred forty six (546) days from the commencement date and is expected to contribute positively to the future earnings of the Group.

A17.2 Dividend Paid

The following dividend was paid after the period reported:

Interim dividend for financial year ended	31 December 2012
Date paid	25 January 2013
Number of ordinary shares on which dividends were paid ('000)	85,880
Dividend per share (single-tier)	1.6 sen
Net dividend paid (RM'000)	1,374

A18. Contingent Assets and Liabilities

Details of contingent liabilities of the Group at the end of current period were as follows:-

Bank guarantees given to customers and potential customers are for :

Advance payment bonds

Performance bonds

Tender bonds

31 Dec 2012
RM'000

2,530

35,091

3,004

40,625

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PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A19. Capital Commitments

The outstanding capital commitments at the end of the financial quarter was as follow:-

	31 Dec 2012 RM'000
Amount authorised but not contracted for	410

A20. Significant Related Party Transactions

The Group had the following transactions during the financial year under review with related parties in which certain directors of the Company have substantial financial interest:-

	31 Dec 2012 RM'000
Related companies by virtue of common shareholders:	
Purchased of material and services rendered	7,611

The Directors of the Company are of the opinion that the above transactions were conducted in the ordinary course of business, carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related parties and are not detrimental to the minority shareholders of the company.

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PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Review of performance of the Group

The Group recorded revenue of RM52.0 million and profit after taxation of RM9.3 million for the financial quarter under review. Revenue contributed by Projects and Products accounted for RM48.5 million or 93.2% and RM3.5 million or 6.8% respectively.

The group revenue for the year ended 31 December 2012 was RM136.1 million and profit after taxation was RM16.6 million. Revenue contributed by Projects was RM114.5 million or 84.1% and Products was RM21.6 million or 15.9%.

No comparative figures are presented for the previous corresponding quarter as the Group is within the first year of preparation of consolidated quarterly results for Bursa Malaysia Securities Berhad.

B2. Profit before taxation

Included in the profit before taxation are the following items:-

	Current year quarter ended	Preceding year quarter ended	Current year to date	Preceding year to date
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Interest income	42	N/A	365	222
Interest expense	(250)	N/A	(1,162)	(1,319)
Gain on foreign exchange:				
- Realised	873	N/A	2,480	999
- Unrealised	456	N/A	1,051	355
Gain on disposal of property, plant and equipment	-	N/A	58	250
Loss on foreign exchange:				
- Realised	(501)	N/A	(2,013)	-
- Unrealised	(1,278)	N/A	(1,582)	-
Loss on disposal of property, plant and equipment	-	N/A	(4)	-
Depreciation of property, plant and equipment	(683)	N/A	(1,650)	(828)

Save as disclosed above, the other items required under Appendix 9B, Part A (16) of the Listing Requirements of Bursa Securities are not applicable.

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PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B3. Variation of results against preceding quarter

For the financial quarter ended 31 December 2012, we recorded revenue of RM52.0 million representing an increase of RM19.4 million or 59.5% as compared to RM32.6 million in the financial quarter ended 30 September 2012.

During the financial quarter, our Project revenue had increased significantly from RM27.0 million in previous financial quarter to RM48.5 million, representing an increase of RM21.5 million or 79.6%. The increase in Project revenue was mainly due to billings and the recognition of civil work done for local utilities and industrial customers in Sarawak Corridor of Renewable Energy (“SCORE”), Johor and Perlis.

During the financial quarter, our Group recorded Product revenue of RM3.5 million, a decrease of 37.5% from RM5.6 million recorded in the previous financial quarter ended 30 September 2012.

The Group recorded a profit after taxation of RM9.3 million, an increase of RM5.2 million as compared to previous financial quarter of RM4.1 million. This is mainly due to the niche market that the Company is in, where customers have more specific requirements that require special design and know-how as compared to conventional utilities electrical substations. We expect this trend to continue with the Group listing stature giving credibility and our continuous efforts in improving the operation efficiency.

B4. Prospects

The outlook for the power transmission and distribution industry is anticipated to remain robust in 2013. The Group is confident that its business will enjoy positive growth in revenue and contribution towards its bottom line in the coming year. This is supported by the Group's order book in hand as at 31 December 2012 of RM230 million, a more than 100% increase from its 31 December 2011 recorded order in hand of about RM110 million. Part of these orders involved projects in the Sarawak Corridor of Renewal Energy (“SCORE”) area for the Group's industrial customers and also at Murum, Sarawak for the local utilities.

Our current on going projects in SCORE provide us with good visibility and added advantage in terms of business and marketing exposure which may attract new prospective customers who are investing in the heavy and energy intensive industry there.

Furthermore, Sarawak Energy Berhad is embarking on the 500KV Backbone Transmission Project to reinforce the state’s existing power transmission system. The major components comprise stretching 313km 500KV transmission line from Tada substation in Kanowit to Tondong substation in Bau; stretching of the 275KV transmission line from the existing 275KV Mambong substation to Matang transmission line and to Tondong substation; and the construction of Tada and Mambong 275KV/500KV substations (Source: The Borneo Post). This type of infrastructure investment would generate new opportunities for the Group to tap on the transmission and distribution segment of the project.

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PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B4. Prospects (Cont'd)

Over at the Peninsular Malaysia side, recently, the Energy Commission has successfully completed the international competitive bidding exercise for a new combined cycle power plant of 1,071 MW capacity in Prai to help meet the generation capacity in Peninsular Malaysia. This coupled with Tenaga Nasional Berhad's largest power generation facility at Stesen Janakuasa Sultan Azlan Shah ("SJSAS") at Manjung that is still under development, provide the Group with abundance opportunities to secure new contracts in the future for the build up of additional power grid infrastructure for the connection of these generation plant into the existing network.

On the oil and gas sector, major projects such as the refinery and petrochemical integrated development project ("RAPID") in Pengerang, Southern Johor, also present to the Group as good potential for project procurement as demand for power to electrify this massive facility could not be underestimated.

The prospect of markets in Indochina region, where the Group has already set its presence, remains exciting. Countries like Cambodia, Laos and Myanmar is on their growth cycle and infrastructure investment would be emphasized to keep up with the growing demand. The Group's established foothold in the region is expected to eventually bring positive impact to its business growth.

Thus, barring unforeseen circumstances, the Group is optimistic about its 2013 business and financial prospects.

B5. Profit forecast and profit guarantee

There were no profit forecast or profit guarantee in any public document by the Group.

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B6. Status of corporate proposals

On 18 May 2012, the Company had completed the issuance of new shares pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad as detailed below:-

B6.1 Utilisation of proceeds

The actual utilisation of proceeds as at 31 December 2012 is as follows:-

Purpose of the utilisation	Estimated time frame for utilisation from date of Listing	Proposed utilisation RM'000	Actual utilisation as at 31 December 2012 RM'000	Deviation RM'000
Repayment of bank borrowings	12 months	6,000	6,000	-
Product development and market / business expansion	36 months	1,800	580	1,220
Working capital	12 months	2,580	2,650	(70)
Estimated listing expenses	3 months	2,500	2,430	70
Total		12,880	11,660	1,220

B7. Material litigation

There was no material litigation as at the date of issuance of this quarterly report.

B8. Proposed Dividend

Details of the interim dividend approved and declared by the Board of Directors are as follows:

31 December 2012

Interim dividend for financial year ended	31 December 2012
Dividend per share (single-tier)	3.3 sen
Record of Depositors as at	28 March 2013
Date payable	26 April 2013

B9. Auditors' report

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 31 December 2011.

B10. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 February 2013.