

PASUKHAS GROUP BERHAD (686389-A)
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Revenue	9,740	10,646	28,065	22,670
Contract Expenses	(8,026)	(7,830)	(24,274)	(16,280)
Gross Profit	1,714	2,816	3,791	6,390
Other Operating Income	269	116	1,993	565
	1,983	2,932	5,784	6,955
Administrative Expenses	(1,111)	(1,509)	(3,064)	(3,042)
Other Expenses	(56)	(169)	(177)	(420)
Finance Costs	(75)	(125)	(248)	(205)
Share of Profit From Joint Ventures (Net)	-	-	-	43
(Loss) / Profit Before Taxation	741	1,129	2,295	3,331
Income Tax Expenses	(393)	(489)	(834)	(844)
(Loss) / Profit After Taxation	348	640	1,461	2,487
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Financial Year	348	640	1,461	2,487
(Loss) / Profit After Taxation Attributable To :-				
Owners of the Company	348	640	1,461	2,487
Non-controlling interests	-	-	-	-
	348	640	1,461	2,487
Total Comprehensive Income Attributable To :-				
Owner of the Company	348	640	1,461	2,487
Non-Controlling Interests	-	-	-	-
	348	640	1,461	2,487
Weighted average number of shares in issue ('000)	295,001	242,175	295,001	217,483
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)	0.12	0.26	0.50	1.14

Notes:-

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Pasukhas Group Berhad and its subsidiaries ("Group") for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2013

	UNAUDITED AS AT END OF CURRENT QUARTER 30 Sep 2013 RM'000	AUDITED AS AT 31 Dec 2012 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	9,043	11,555
Deferred tax assets	1,689	1,689
Other investments	104	104
	10,836	13,348
CURRENT ASSETS		
Inventories	2,038	2,573
Amount owing by contract customers	1,644	3,645
Trade receivables	15,416	17,697
Other receivables, deposits and prepayments	967	546
Amount owing by joint ventures	31	6
Amount owing by related parties	33	58
Tax recoverable	326	416
Fixed deposits with licensed banks	18,011	19,039
Cash and bank balances	4,534	4,586
	43,000	48,566
TOTAL ASSETS	53,836	61,914
EQUITY AND LIABILITIES		
EQUITY		
Share capital	29,500	29,500
Merger deficit	(10,500)	(10,500)
Fair value reserve	17	17
Share premium	933	933
Retained profits	14,021	12,561
TOTAL EQUITY	33,971	32,511
NON-CURRENT LIABILITIES		
Hire purchase payables	238	225
Deferred income	-	2,381
	238	2,606
CURRENT LIABILITIES		
Trade payables	8,018	13,620
Other payables and accruals	821	1,206
Amount owing to related parties	30	37
Amount owing to joint venture partner	27	27
Short-term borrowings	6,465	4,765
Deferred income	4,266	7,142
	19,627	26,797
TOTAL LIABILITIES	19,865	29,403
TOTAL EQUITY AND LIABILITIES	53,836	61,914
Net assets per share (RM)	0.12	0.11

Notes:-

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686395-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2013

	← Share Capital RM'000	Non-Distributable Fair Value Reserve RM'000	Merger Deficit RM'000	→ Share Premium RM'000	Distributable Retained Profits RM'000	Shareholders' Funds RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Current year to date ended 30 September 2013								
Balance at 1 January 2013 (Audited)	29,500	17	(10,500)	933	12,561	32,511	-	32,511
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	1,461	1,461	-	1,461
Balance at 30 September 2013 (Unaudited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>14,022</u>	<u>33,972</u>	<u>-</u>	<u>33,972</u>
Preceding year to date ended 30 September 2012								
Balance at 1 January 2012 (Audited)	20,500	17	(10,500)	-	9,115	19,132	-	19,132
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	2,487	2,487	-	2,487
Contributions by and distributions to owners of the Company:								
- Issuance of share pursuant to public issue	9,000	-	-	1,800	-	10,800	-	10,800
Listing Expenses	-	-	-	(867)	-	(867)	-	(867)
Balance at 30 September 2012 (Unaudited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>11,602</u>	<u>31,552</u>	<u>-</u>	<u>31,552</u>

Notes:-

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686389-A)
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2013

	UNAUDITED CURRENT YEAR TO DATE 30 Sep 2013 RM'000	AUDITED PRECEDING YEAR AS AT 31 Dec 2012 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
(Loss) / Profit before taxation	2,295	4,219
Adjustments for:-		
Allowance for impairment loss on quoted investment	-	3
Amortisation of non-current trade receivables	-	36
Bad debts written off	-	21
Depreciation of plant and equipment	2,694	3,308
Loss / (Gain) on foreign exchange - unrealised	(100)	83
Interest expense	221	269
Listing expenses written off	-	680
Gain on disposal of plant and equipment	(19)	(2)
Interest income	(526)	(414)
Share of profits from joint ventures (net)	-	(11)
Writeback of allowance for impairment losses on trade receivables	(1,224)	(139)
Operating profit before working capital changes	3,341	8,053
(Increase) / Decrease in inventories	535	(1,162)
(Increase) / Decrease in amount owing by contract customers	2,001	(862)
(Increase) / Decrease in trade and other receivables	3,084	(9,149)
Increase / (Decrease) in trade and other payables	(5,906)	8,591
(Decrease) / Increase in deferred income	(5,256)	(1,229)
Net (decrease)/increase in amount owing to joint ventures	(25)	(261)
Net (decrease) / increase in amount owing to related parties	18	(60)
Distribution received from joint ventures	-	296
Distribution paid to joint venture partner	-	(118)
CASH FLOWS FROM OPERATING ACTIVITIES	(2,208)	4,099
Interest paid	(221)	(269)
Income tax paid	(744)	(1,867)
NET CASH FROM OPERATING ACTIVITIES	(3,173)	1,963
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	526	414
Purchase of plant and equipment	(183)	(4,682)
Proceeds from disposal of plant and equipment	19	2
NET CASH FOR INVESTING ACTIVITIES	362	(4,266)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	10,800
Net drawdown in bankers' acceptances	1,714	689
Repayment of hire purchase obligations	(2)	(90)
Listing expenses paid	-	(1,547)
NET CASH FROM FINANCING ACTIVITIES	1,712	9,852
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,099)	7,549
FOREIGN EXCHANGE RATE ADJUSTMENT	19	(70)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	23,625	16,146
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	22,545	23,625

Notes:-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 : INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting in Malaysia and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012.

The Group adopted the following Standards, Amendments and IC Interpretations :-

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

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 1: Government Loans

Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

A3. Auditor's Report on Preceding Annual Financial Statements

There were no audit qualification to the annual audited financial statements of the Group for the financial year ended 31 December 2012.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and financial year-to-date under review.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter under review and financial year-to-date.

A7. Changes in Debts and Equity Securities

There were no issuances, cancellations or repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current financial quarter under review and financial year-to-date.

A8. Dividend

There were no dividends declared or paid during the financial year to date under review.

PASUKHAS GROUP BERHAD (606389-A)
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A9. Segmental Information

The segmental revenue and results for the financial year-to-date under review are as follows:-

Revenue by operating segments

	M&E Engineering Services RM'000	Manufacturing of LV switchboards RM'000	Trading of Equipment RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	27,872	193	-	-	28,065
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>27,872</u>	<u>193</u>	<u>-</u>	<u>-</u>	<u>28,065</u>
Segment result	3,779	12	-	-	3,791
Other operating income					1,993
Administrative expenses					(3,064)
Other expenses					(177)
Finance costs					(248)
Tax expense					(834)
Profit after taxation					<u>1,461</u>

All 3 main business segments are held by the subsidiary, thus the Group's contract expenses, operating expenses, financing (including finance costs), income taxes, assets and liabilities are managed on a group basis and are not allocated to operating segments.

Revenue by geographical markets

	Current Year To Date 30 Sep 2013	
	RM'000	%
Malaysia	28,065	100
	<u>28,065</u>	<u>100</u>

A10. Valuation of plant and equipment

There was no valuation of plant and equipment in the current financial quarter under review.

A11. Subsequent Material Events

There are no material events subsequent to the quarter ended 30 September 2013 that have not been reflected in this interim financial statements.

A12. Changes in the Composition of the Group

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A13. Contingent Assets or Liabilities

Save as disclosed below, there were no contingent assets or contingent liabilities since the last audited financial statements of the Group for the financial year ended 31 December 2012 :-

	Current Quarter Ended 30 Sep 2013 RM'000	Preceding Financial Year Ended 31 Dec 2012 RM'000
Contingent Liability		
- Bank guarantee issued	3,074	2,799

A14. Capital commitments

The Group does not have any material capital commitments in respect of plant and equipment as at the end of the current financial quarter under review.

A15. Capital expenditure

There were no major additions and disposals of the plant and equipment during the current financial quarter under review.

A16. Related Party Transactions

Save as disclosed below, there were no related party transactions for the current financial quarter under review and financial year-to-date:-

	Current Quarter Ended 30 Sep 2013 RM'000	Cumulative Year-To-Date 30 Sep 2013 RM'000
Nature of transaction		
Insurance and road tax expenses	-	19
Rental of premises	161	482

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B1. Review of performance**

The Group recorded a decrease in revenue by RM0.906 million, representing 8.5% to RM9.740 million for the current financial quarter under review as compared to RM10.646 million in the preceding corresponding quarter. The decrease in revenue was mainly due to the lower progress billings issued for a local M&E engineering services project. In addition, the Group's revenue was derived only from Malaysia.

The Group registered a profit before tax of RM0.741 million during the current financial quarter under review as compared to RM1.129 million profit before tax in the corresponding quarter of the preceding year due to lower margin derived from a current ongoing project.

The M&E engineering services remain the largest contributor to the Group's revenue and gross profit, with 99.31% (RM27.872 million) and 99.68% (RM3.779 million) respectively. The remaining revenue and gross profit are from the manufacturing of LV switchboard segment. There was no contribution from the trading of equipment for the current financial quarter under review.

Furthermore, the Group had recorded a negative cash flow from operating activities amounting to RM2.208 million and a net cash flow from operating activities of RM3.173 million after adjusting for interest and income tax paid. These were mainly contributed by the decrease in deferred income, whereby the income increased despite no cash collection, decrease in trade payables, whereby increased payments were made to trade creditors, and decrease in trade receivables whereby there was an increase in trade debt collections however they were insufficient to cover the payments made to creditors.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B2. Comparison with preceding quarter's results

	Current Quarter 30 Sep 2013 RM'000	Preceding Quarter 30 Jun 2013 RM'000	Variance RM'000
Revenue	9,740	11,421	(1,681)
(Loss) / Profit before tax	741	1,787	(1,046)

Revenue of the Group decreased by 14.7% to RM9.740 million for the current financial quarter as compared to the preceding financial quarter mainly due to lower progress billings issued in the M&E engineering services segment. The Group reported a lower profit before tax of RM0.741 million for the current financial quarter as compared to the preceding quarter mainly due to the decrease in the revenue and gross profit.

B3. Prospects

The main revenue driver of the Group in the cumulative current quarter is from M&E work and moving forward to the last quarter of the year, M&E would continue to be our core income.

Intense competitive market and continued pressure on pricing remain the significant factors that may have an impact on the Group's earning moving forward, while the availability of resources to undertake large projects remains a challenge to the Group.

Despite the above, the Group has been aggressively seeking new projects by selectively participating in tenders for sizeable contracts with reasonable margins to increase the order book as well as seeking new business avenues or joint venture partners. The Group also intends to venture into the provision of construction services, as the market for M&E becomes more intense.

The Management will continue to emphasize on improving the Group's profit margin through productivity enhancement, market efforts and undertaking selective projects.

Barring unforeseen circumstances, the Board of Directors of Pasukhas anticipates the results for the remaining of the financial year to be challenging while attention is continuously given to improving competitiveness and profitability.

B4. Taxation

	Current Quarter Ended 30 Sep 2013 RM'000	Cumulative Year-To-Date 30 Sep 2013 RM'000
Current Tax for the current financial period	<u>(393)</u>	<u>(834)</u>

The effective tax rate for the current financial quarter and financial year -to-date are 53.0% and 36.34%, as compared to the statutory tax rate of 25% due to under provision from the financial year ended 31 December 2012 of RM260,426.

B5. Profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.

B6. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of issuance of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7. Status of utilisation of proceeds

Pasukhas Group Berhad was listed on 29 August 2012 on the ACE Market of Bursa Securities. The status of utilisation of the gross proceeds of RM10.8 million from the public issue by the Group as at 30 September 2013 are as follows :-

<u>Purpose</u>	<u>Proposed Amount RM'000</u>	<u>Amount Utilised RM'000</u>	<u>Amount Unutilised RM'000</u>	<u>Timeframe for Utilisation upon Listing</u>
R&D expenditure	600	-	600	Within 24 months
Repayment of bank borrowings	1,634	1,634	-	Within 12 months
Working Capital	6,366	604 *	5,762	Within 24 months
Estimated Listing Expenses	2,200	2,200	-	Upon Listing
	<u>10,800</u>	<u>4,438</u>	<u>6,362</u>	

* Inclusive of excess in listing expenses amounting to RM330,815.

B8. Group borrowings and debt securities

The total borrowings of the Group as at 30 September 2013 are as follows :-

<u>Secured</u>	<u>Short Term RM'000</u>	<u>Long Term RM'000</u>
Hire purchase payables	92	238
Bankers' acceptances	6,373	-
	<u>6,465</u>	<u>238</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigations involving the Group since the date of the last annual statement of financial position of the Group as at 31 December 2012 up to the date of this interim report.

B10. Dividends

There were no dividends declared or paid during the financial year-to-date under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 Sep 2013	Preceding Year Corresponding Quarter Ended 30 Sep 2012	Current Year To Date 30 Sep 2013	Preceding Year Corresponding Period To Date 30 Sep 2012
(Loss) / Profit attributable to the equity holders of the Company (RM'000)	348	640	1,461	2,487
Weighted average number of ordinary shares in issue ('000)	295,001	242,175	295,001	217,483
Basic earnings per share (sen)	0.12	0.26	0.50	1.14

Note :

Diluted earnings per share is not disclosed herein as it is not applicable to the Group.

B12. Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realised and unrealised profits/(losses) for the current quarter and the preceding financial year are as follows:-

	Current Quarter Ended 30 Sep 2013 RM'000	Preceding Financial Year Ended 30 Dec 2012 RM'000
Total retained profits of the Group :-		
- Realised	12,232	10,955
- Unrealised	1,789	1,606
	<u>14,021</u>	<u>12,561</u>
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>14,021</u>	<u>12,561</u>

B13. Profit for the Period

Profit before taxation is arrived at after charging/(crediting) :-

	Current Quarter Ended 30 Sep 2013 RM'000	Current Year To Date 30 Sep 2013 RM'000
(a) Interest income	(163)	(526)
(b) Other income	(75)	(124)
(c) Interest expense	67	221
(d) Depreciation and amortisation	902	2,694
(e) Foreign exchange gain (net) :		
(i) Unrealised Gain on Foreign Exchange	(29)	(100)
(ii) Realised Loss on Foreign Exchange	-	23
(f) Writeback of allowance for impairment losses on trade receivables	1	1,224
(g) Gain on disposal of plant and equipment	-	(19)

PASUKHAS GROUP BERHAD (686389-A)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 November 2013.

By order of the Board of Directors

TENG AH KIONG
MANAGING DIRECTOR
29 November 2013