

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Revenue	8,393	9,740	27,448	28,065
Contract Expenses	(7,545)	(8,026)	(25,228)	(24,274)
Gross Profit	848	1,714	2,220	3,791
Other Operating Income	127	269	430	1,993
	975	1,983	2,650	5,784
Administrative Expenses	(1,519)	(1,111)	(4,781)	(3,064)
Other Expenses	(58)	(56)	(179)	(177)
Finance Costs	(60)	(75)	(309)	(248)
Share of Result from Associates (Net)	(2)	-	(7)	-
Profit / (Loss) Before Taxation	(664)	741	(2,626)	2,295
Income Tax Expenses	-	(393)	-	(834)
Profit / (Loss) After Taxation	(664)	348	(2,626)	1,461
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/ (Expenses) For The Financial Year	(664)	348	(2,626)	1,461
Profit / (Loss) After Taxation Attributable To :-				
Owners of the Company	(664)	348	(2,626)	1,461
Non-controlling interests	-	-	-	-
	(664)	348	(2,626)	1,461
Total Comprehensive Income/ (Expenses) Attributable To :-				
Owner of the Company	(664)	348	(2,626)	1,461
Non-Controlling Interests	-	-	-	-
	(664)	348	(2,626)	1,461
Weighted average number of shares in issue ('000)	295,001	295,001	295,001	295,001
Earnings/ (Loss) per share attributable to the equity holders of the Company (sen)	(0.23)	0.12	(0.89)	0.50

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 2013 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 2014

	UNAUDITED AS AT END OF CURRENT QUARTER 30 Sept 2014 RM'000	AUDITED AS AT 31 Dec 2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Investment in associate	333	341
Plant and equipment	7,249	8,178
Deferred tax assets	421	421
Other investments	104	104
	8,107	9,044
CURRENT ASSETS		
Inventories	1,798	1,736
Amount owing by contract customers	4,545	1,809
Trade receivables	17,398	17,628
Other receivables, deposits and prepayments	1,650	952
Amount owing by joint ventures	30	-
Amount owing by associates	641	-
Amount owing by related parties	80	422
Tax recoverable	1,156	948
Short-term investment	2,646	2,585
Fixed deposits with licensed banks	12,307	15,782
Cash and bank balances	1,122	3,156
	43,373	45,018
TOTAL ASSETS	51,480	54,062
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	11,221	13,847
TOTAL EQUITY	31,171	33,797
NON-CURRENT LIABILITIES		
Hire purchase payables	157	216
Deferred income	-	-
	157	216
CURRENT LIABILITIES		
Trade payables	8,630	9,527
Other payables and accruals	1,229	1,888
Amount owing to related parties	20	40
Amount owing to joint venture partner	-	-
Provision for Costs	623	-
Short-term borrowings	9,039	6,149
Deferred income	611	2,445
	20,152	20,049
TOTAL LIABILITIES	20,309	20,265
TOTAL EQUITY AND LIABILITIES	51,480	54,062
Net assets per share (RM)	0.11	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 2013 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686389-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2014

	<----- 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
<u>Current year to date ended 30 September 2014</u>								
Balance at 1 January 2014 (Audited)	29,500	17	(10,500)	933	13,847	33,797	-	33,797
Profit/ (Loss) after taxation/Total comprehensive income for the financial period	-	-	-	-	(2,626)	(2,626)	-	(2,626)
Balance at 30 September 2014 (Unaudited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>11,221</u>	<u>31,171</u>	<u>-</u>	<u>31,171</u>
<u>Preceding year to date ended 30 September 2013</u>								
Balance at 1 January 2013 (Audited)	29,500	17	(10,500)	933	12,561	32,511	-	32,511
Profit/ (Loss) after taxation/Total comprehensive income for the financial period	-	-	-	-	1,286	1,286	-	1,286
Contributions by and distributions to owners of the Company: - Issuance of share pursuant to public issue	-	-	-	-	-	-	-	-
Listing Expenses	-	-	-	-	-	-	-	-
Balance at 30 September 2013 (Audited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>13,847</u>	<u>33,797</u>	<u>-</u>	<u>33,797</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 2013 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 2014

	UNAUDITED CURRENT YEAR TO DATE 30 Sept 2014 RM'000	AUDITED PRECEDING YEAR AS AT 31 Dec 2013 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
(Loss) / Profit before taxation	(2,626)	2,826
Adjustments for:-		
Allowance for impairment loss on quoted investment	-	-
Allowance for impairment loss on trade receivables	-	203
(Accretion)/Amortisation of non-current trade receivables	-	(10)
Bad debts written off	-	-
Depreciation of plant and equipment	1,013	3,597
Loss / (Gain) on foreign exchange - unrealised	(11)	(109)
Interest expense	219	336
Listing expenses written off	-	-
Gain on disposal of plant and equipment	-	(19)
Interest income	(355)	(734)
Share of result in associates	8	2
Writeback of allowance for impairment losses on trade receivables	-	(1,225)
Operating profit before working capital changes	(1,752)	4,867
(Increase) / Decrease in inventories	(62)	837
(Increase) / Decrease in amount owing by contract customers	(2,736)	1,836
(Increase) / Decrease in trade and other receivables	(467)	695
Increase / (Decrease) in trade and other payables	(933)	(3,437)
(Decrease) / Increase in deferred income	(1,834)	(7,078)
Net (decrease)/increase in amount owing to joint ventures	-	-
Net (decrease) / increase in amount owing by related parties	(4)	(42)
Net (decrease) / increase in amount owing to related parties	(20)	3
Distribution received from joint ventures	-	-
Distribution paid to joint venture partner	-	-
CASH FLOWS FROM OPERATING ACTIVITIES	(7,808)	(2,319)
Interest paid	(219)	(336)
Income tax paid	(208)	(805)
NET CASH FROM OPERATING ACTIVITIES	(8,235)	(3,460)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	355	734
Purchase of plant and equipment	(88)	(139)
Investment in an associate	-	(343)
Advance to associates	(326)	(315)
Proceeds from disposal of plant and equipment	4	19
NET CASH FOR INVESTING ACTIVITIES	(56)	(44)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	-
Net drawdown in bankers' acceptances	2,896	1,403
Repayment of hire purchase obligations	(65)	(110)
Listing expenses paid	-	-
NET CASH FROM FINANCING ACTIVITIES	2,831	1,293
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,460)	(2,211)
FOREIGN EXCHANGE RATE ADJUSTMENT	11	109
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	21,523	23,625
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16,074	21,523

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 2013 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 2013. 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 2013.

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 2013.

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 Liabilities

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

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

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 2013.

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 the 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.

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	Manufacturing of LV switchboards	Civil Engineering and Construction Services	Trading of Equipment	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	14,362	132	12,954	-	27,448
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>14,362</u>	<u>132</u>	<u>12,954</u>	<u>-</u>	<u>27,448</u>
Segment result	1,765	5	450	-	2,220
Other operating income					430
Administrative expenses					(4,781)
Other expenses					(179)
Finance costs					(309)
Share of Result from Associates (Net)					(7)
Tax expense					-
Profit after taxation					<u>(2,626)</u>

All 4 main business segments are held by Pasukhas Sdn Bhd, thus the Group's contract expenses, operating expenses, 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 Sept 2014	
	RM'000	%
Malaysia	<u>27,448</u>	<u>100</u>
	<u>27,448</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 financial quarter ended 30 September 2014 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 2013 :-

	Current Quarter Ended 30 Sept 2014 RM'000	Preceding Financial Year Ended 31 Dec 2013 RM'000
Contingent Liability		
- Bank guarantee issued	6,723	3,174

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 Sept 2014 RM'000	Cumulative Year-To-Date 30 Sept 2014 RM'000
Nature of transaction		
Rental of premises	161	483

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The Group recorded a revenue of RM8.393 million for the current financial quarter under review as compared to RM9.740 million in the preceding corresponding quarter representing a decrease in revenue of RM1.347 million or 13.83%. The decrease in revenue was mainly due to the lower progress billings issued on current ongoing projects for local M&E Engineering services projects. The Group's revenue was derived only from Malaysia.

However, the Group recorded a loss before tax of RM0.664 million compared to a profit before tax of RM0.348 million in the corresponding quarter of the preceding year due to lower revenue and margin derived from a current ongoing project which is insufficient to cover the overheads.

The M&E Engineering services remain the largest contributor to the Group's at RM14.362 million or 52.32%, and gross profit at RM1.765 million or 79.50%. The remaining revenue and gross profit are contributed from the Civil Engineering and Construction services and Manufacturing of LV switchboard segments. 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 RM5.460 million and a negative net cash flow from operating activities of RM8.235 million after adjusting for interest and income tax paid. The negative cash flow are mainly attributed by loss after adjustment and increase in amount owing by contract customers, trade and other receivables as well as decrease in deferred income, trade and other payables.

B2. Comparison with preceding quarter's results

	Current Quarter 30 Sept 2014 RM'000	Preceding Quarter 30 June 2014 RM'000	Variance RM'000
Revenue	8,393	8,908	(515)
(Loss) / Profit before tax	(664)	(966)	302

Revenue of the Group decreased by 5.78% to RM8.393 million for the current financial quarter as compared to immediate preceding financial quarter mainly due to lower progress in the M&E Engineering services segment. The Group reported a lower loss before tax of RM0.664 million for the current financial quarter as compared to immediate preceding quarter mainly due to project with a better margin, lower administration overhead and financing costs.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B3. Prospects

The main revenue driver of the Group for the current year to date is from M&E Engineering, Civil Engineering and Construction services work.

Intense competitive market and continued pressure on pricing remain the significant factors that may have an adverse impact on the Group's earnings under the M&E Engineering segment 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 recent diversification into Civil Engineering and Construction services business segments shall serve to bring the Group forward towards achieving its future business plans and expansion targets, the company as well as create synergies through additional value-added services to its customers.

Moving forward, the Board anticipates that the Civil Engineering and Construction services business segment will be one of the major contributors to the Group's earnings as the Group is expected to continue to aggressively expanding its Civil Engineering and Construction services business segments heading into the last quarter of the year. On 17 October 2014, the Group announced that it has secured a letter of award from Veritas Architects Sdn Bhd on behalf of Senja Aman Development Sdn Bhd for sub-structure and external works for a wellness center in Teluk Bahang, Pulau Pinang for a contract sum of RM44.43 million.

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 anticipates the results for the financial year ending 31 December 2014 continue to be challenging while attention is continuously given to improving competitiveness and profitability.

B4. Taxation

	Current Quarter Ended 30 Sept 2014 RM'000	Cumulative Year-To-Date 30 Sept 2014 RM'000
<u>Current tax expenses:</u>		
- for the financial year	-	-
- over/(under)provision in the previous financial year	-	-
<u>Deferred tax expense:</u>		
- for the financial year	-	-
- over/(under)provision in the previous financial year	-	-
Current Tax for the current financial period	-	-

The statutory tax rate for the current financial year is 25%.

B5. Profit forecast and profit guarantee

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6. Status of Corporate Proposal

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

B7. Status of utilisation of proceeds

The Company 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 2014 are as follows :-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation upon Listing
R&D expenditure	- **	-	-	Within 24 months
Repayment of bank borrowings	1,634	1,634	-	Within 12 months
Working Capital	6,966	4,399 *	2,567	Within 24 months
Estimated Listing Expenses	2,200	2,200	-	Upon Listing
	10,800	8,233	2,567	

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

** Reclassification from R&D expenditure to working capital.

B8. Group borrowings and debt securities

The total borrowings of the Group as at 30 September 2014 are as follows :-

Secured	Short Term RM'000	Long Term RM'000
Hire purchase payables	81	157
Bankers' acceptances	8,958	-
	9,039	157

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Material litigation

There was no material litigations involving the Group since the date of the last annual statement of financial position of the Group as at 31 December 2013 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/ (Loss) per Share

Basic earnings/ (loss) 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 Sept 2014	Preceding Year Corresponding Quarter Ended 30 Sept 2013	Current Year To Date 30 Sept 2014	Preceding Year Corresponding Period To Date 30 Sept 2013
Profit/ (Loss) attributable to the equity holders of the Company (RM'000)	(664)	348	(2,626)	1,461
Weighted average number of ordinary shares in issue ('000)	295,001	295,001	295,001	295,001
Basic earnings/ (loss) per share (sen)	(0.23)	0.12	(0.89)	0.50

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 Sept 2014 RM'000	Preceding Financial Year Ended 31 Dec 2013 RM'000
Total retained profits of the Group :-		
- Realised	10,789	13,317
- Unrealised	432	530
	<u>11,221</u>	<u>13,847</u>
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u><u>11,221</u></u>	<u><u>13,847</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B13. Profit/ (Loss) for the Period

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

	Current Quarter Ended 30 Sept 2014 RM'000	Current Year To Date 30 Sept 2014 RM'000
(a) Interest income	(117)	(355)
(b) Other income	(3)	(71)
(c) Interest expense	54	219
(d) Depreciation and amortisation	338	1,013
(e) Foreign exchange (gain)/ loss (net) :		
(i) Unrealised Gain on Foreign Exchange	-	-
(ii) Unrealised Loss on Foreign Exchange	-	11

Other disclosure items pursuant to Note 16 of Appendix 9B of the 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 21 November 2014.

By Order of the Board of Directors

TENG AH KIONG
MANAGING DIRECTOR
21 November 2014