

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31ST DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Revenue	19,717	13,857	68,109	41,305
Contract Expenses	(16,648)	(13,396)	(59,742)	(38,624)
Gross Profit	3,069	461	8,367	2,681
Other Operating Income	133	157	1,368	587
	3,202	618	9,735	3,268
Administrative Expenses	(2,191)	(2,005)	(7,015)	(6,786)
Other Expenses	(1,450)	(1,000)	(1,584)	(1,178)
Finance Costs	(81)	(17)	(350)	(326)
Share of Result from Associates (Net)	(19)	2	153	(3)
(Loss) / Profit Before Taxation	(539)	(2,402)	939	(5,025)
Income Tax Expenses	(42)	731	(42)	731
(Loss) / Profit After Taxation	(581)	(1,671)	897	(4,294)
Other Comprehensive Income	-	-	-	-
Total Comprehensive (Expenses) / Income For The Financial Year	(581)	(1,671)	897	(4,294)
(Loss) / Profit After Taxation Attributable To :-				
Owners of the Company	(581)	(1,671)	897	(4,294)
Non-controlling interests	-	-	-	-
	(581)	(1,671)	897	(4,294)
Total Comprehensive (Expenses) / Income Attributable To :-				
Owner of the Company	(581)	(1,671)	897	(4,294)
Non-Controlling Interests	-	-	-	-
	(581)	(1,671)	897	(4,294)
Weighted average number of shares in issue ('000)	295,001	295,001	295,001	295,001
(Loss) / Earnings per share attributable to the equity holders of the Company (sen)	(0.20)	(0.57)	0.30	(1.46)

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 2014 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 FOURTH (4TH) QUARTER ENDED 31ST DECEMBER 2015

	UNAUDITED AS AT END OF CURRENT QUARTER 31 Dec 2015 RM'000	AUDITED AS AT 31 Dec 2014 RM'000
ASSETS		
NON-CURRENT ASSETS		
Investments in associates	491	338
Plant and equipment	3,768	6,396
Deferred tax assets	1,142	1,184
Other investments	104	104
	5,505	8,022
CURRENT ASSETS		
Inventories	1,929	1,652
Amount owing by contract customers	7,297	8,148
Trade receivables	34,890	22,774
Other receivables, deposits and prepayments	1,289	1,645
Amount owing by associates	686	686
Amount owing by related parties	-	49
Tax refundable	362	1,125
Short-term investment	3,008	1,162
Fixed deposits with licensed banks	10,531	10,434
Cash and bank balances	2,823	2,271
	62,815	49,946
	68,320	57,968
TOTAL ASSETS		
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	10,450	9,553
TOTAL EQUITY	30,400	29,503
NON-CURRENT LIABILITIES		
Hire purchase payables	46	139
	46	139
CURRENT LIABILITIES		
Amount owing to contract customers	1,696	2,416
Trade payables	17,895	15,616
Other payables and accruals	1,804	1,678
Amount owing to associates	3,810	706
Hire purchase payables	11	77
Bankers' acceptance	9,658	4,833
Revolving credits	3,000	3,000
	37,874	28,326
	37,920	28,465
TOTAL LIABILITIES	37,920	28,465
	68,320	57,968
TOTAL EQUITY AND LIABILITIES	68,320	57,968
Net assets per share (RM)	0.10	0.10

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 2014 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31ST DECEMBER 2015

	<----- Non-Distributable ----->			-----> Distributable			
	Share Capital	Fair Value Reserve	Merger Deficit	Share Premium	Retained Profits	Attributable To Owners Of The Company	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current year to date ended 31 December 2015</u>							
Balance at 1 January 2015 (Audited)	29,500	17	(10,500)	933	9,553	29,503	29,503
Profit after taxation / Total comprehensive income for the financial year	-	-	-	-	897	897	897
Balance at 31 December 2015 (Unaudited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>10,450</u>	<u>30,400</u>	<u>30,400</u>
<u>Preceding year to date ended 31 December 2014</u>							
Balance at 1 January 2014 (Audited)	29,500	17	(10,500)	933	13,847	33,797	33,797
Loss after taxation / Total comprehensive expenses for the financial year	-	-	-	-	(4,294)	(4,294)	(4,294)
Contributions by and distributions to owners of the Company:							
Balance at 31 December 2014 (Audited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>9,553</u>	<u>29,503</u>	<u>29,503</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 2014 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 FOURTH (4TH) QUARTER ENDED 31ST DECEMBER 2015

	UNAUDITED CURRENT YEAR TO DATE 31 Dec 2015 RM'000	AUDITED PRECEDING YEAR AS AT 31 Dec 2014 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	939	(5,025)
Adjustments for:-		
Allowance for impairment loss on trade receivables	1	374
Amortisation of trade payables	-	17
Accretion of trade receivables	-	(55)
Depreciation of plant and equipment	170	1,352
Loss / (Gain) on foreign exchange - unrealised	(84)	(25)
Interest expense	350	325
Gain on disposal of plant and equipment	(110)	-
Impairment loss on plant and equipment	-	551
Interest income	(322)	(441)
Share of result in associates	(153)	3
Writeback of allowance for impairment losses on trade receivables	-	(3)
Write-off of plant and equipment	1,168	-
Operating profit before working capital changes	1,959	(2,927)
(Increase) / Decrease in inventories	(277)	84
Decrease / (Increase) in amount owing by contract customers	131	(3,924)
Increase in trade and other receivables	(11,761)	(6,154)
Increase in trade and other payables	2,274	5,862
Decrease in deferred income	-	(2,445)
Net (Decrease) / Increase in amount owing to associates	3,103	706
Net Decrease in amount owing by related parties	49	57
Net Decrease in amount owing to related parties	-	(40)
CASH FLOWS FOR OPERATING ACTIVITIES	(4,522)	(8,781)
Interest paid	(350)	(325)
Income tax refunds / (paid)	763	(209)
NET CASH FOR OPERATING ACTIVITIES	(4,109)	(9,315)
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Interest received	322	441
Purchase of plant and equipment	(297)	(121)
Advance to associates	-	(371)
Placement of fixed deposit pledged	(97)	(338)
Proceeds from disposal of plant and equipment	1,698	-
NET CASH FROM / (FOR) INVESTING ACTIVITIES	1,626	(389)
Net drawdown in bankers' acceptances	4,825	(1,229)
Net drawdown in revolving credits	-	3,000
Repayment of hire purchase obligations	(159)	(87)
NET CASH FROM FINANCING ACTIVITIES	4,666	1,684
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,183	(8,020)
FOREIGN EXCHANGE RATE ADJUSTMENT	215	26
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,433	11,427
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	5,831	3,433

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 2014 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 2014. 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 2014.

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 2014.

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

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 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.

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until Further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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 2014.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

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	21,892	151	41,431	4,635	68,109
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>21,892</u>	<u>151</u>	<u>41,431</u>	<u>4,635</u>	<u>68,109</u>
Segment result	4,655	99	3,995	(382)	8,367
Other operating income					1,368
Administrative expenses					(7,015)
Other expenses					(1,584)
Finance costs					(350)
Share of Result from Associates (Net)					153
Tax expense					(42)
Profit after taxation					<u>897</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 31 Dec 2015	
	RM'000	%
Malaysia	68,109	100
	<u>68,109</u>	<u>100</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 31 December 2015 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.

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 2014 :-

	Current Quarter Ended 31 Dec 2015 RM'000	Preceding Financial Year Ended 31 Dec 2014 RM'000
Contingent Liability		
- Bank guarantee issued	6,014	8,940

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 31 Dec 2015 RM'000	Cumulative Year-To-Date 31 Dec 2015 RM'000
Nature of transaction		
Rental of premises	161	642

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 RM19.717 million for the current financial quarter under review as compared to RM13.857 million in the preceding corresponding quarter representing an increase of RM5.860 million or 42.29%. The increase was mainly attributable to increase in activities on ongoing projects for local Civil Engineering and Construction services and M&E Engineering services projects which translates into higher revenue. The Group's revenue was derived only from Malaysia.

The Group recorded a gross profit before tax of RM3.069 million as compared to a gross profit before tax of RM0.461 million in the corresponding quarter of the preceding year due to higher margin derived from a current ongoing project especially in M&E Engineering services and Civil Engineering and Construction services.

The M&E Engineering services provided the largest contribution to the Group's gross profit at RM4.655 million or 21.26% with a revenue of RM21.892 million or 32.14%. The remaining revenue and gross profit are contributed from the Civil Engineering and Construction Services, Trading of Equipment, and Manufacturing of LV Switchboards.

The Group recorded a negative cash flow from operating activities amounting to RM4.522 million and a negative net cash flow from operating activities of RM4.109 million after adjusting for interest and income tax paid. The negative cash flow are mainly due to significant increase in trade and other receivables.

B2. Comparison with preceding quarter's results

	Current Quarter 31 Dec 2015 RM'000	Preceding Quarter 30 Sept 2015 RM'000	Variance RM'000
Revenue	19,717	20,312	(595)
(Loss) / Profit before tax	(539)	670	(1,209)

Revenue of the Group decreased by 2.93% to RM19.717 million for the current financial quarter as compared to immediate preceding financial quarter mainly due to lower progress in the M&E Engineering services and Civil Engineering and Construction services business segment. The Group reported a net loss before tax of RM0.539 million for the current financial quarter as compared to a profit before taxation of RM0.670 million in the immediate preceding quarter mainly due to write-off of plant and equipment of RM1.168 million.

B3. Prospects

The revenue driver of the Group for the current year to date remain primarily from Civil Engineering and Construction services and M&E Engineering work. Moving forward, the Group is expected to continue seeking to expand its Civil Engineering and Construction services beside M&E Engineering services for the financial year ending 31 December 2016. The Civil Engineering and Construction services business segments shall serve alongside M&E Engineering services business segment to bring the Group towards achieving its future business plans and expansion targets.

Despite the above, the Group has been aggressively seeking for new projects by selectively participating albeit cautious approach in tenders for sizable contracts with reasonable margins to increase the order book as well as seeking new business avenues or joint venture partners.

The Management endeavor on improving the Group's profit margin continuously through productivity enhancement, market efforts and undertaking selective projects.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B4. Taxation

	Current Quarter Ended 31 Dec 2015 RM'000	Cumulative Year-To-Date 31 Dec 2015 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	(441)	(441)
- over provision in the previous financial year	399	399
Current Tax for the current financial period	(42)	(42)

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.

B6. Status of Corporate Proposal

There were no corporate proposals pending completion as at the date of issuance of this interim report, except for the following:

On 26 November 2015, M&A Securities Sdn Bhd has on behalf of the Company, announced that the Company has proposed to implement a private placement of up to 29,500,000 new ordinary shares of RM0.10 each in the Company ("Pasukhas Shares") ("Placement Shares"), representing approximately ten percent (10%) of the total issued and paid-up share capital of the Company, to independent third party investor(s) to be identified ("Proposed Private Placement"). The application was approved by Bursa Securities on 15 December 2015 subject to the following conditions:

- Pasukhas and M&A Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements of Bursa Securities ("ACE Market LR") pertaining to the implementation of the Private Placement;
- Pasukhas and M&A Securities to inform Bursa Securities upon the completion of the Private Placement;
- Pasukhas to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed; and
- M&A Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the ACE Market LR for its review, prior to the issuance/allotment of Placement Shares to placees, together with confirmation that the placees do not fall within any of the category of persons specified in Rule 6.05(c) of the ACE Market LR.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7. Group borrowings and debt securities

The total borrowings of the Group as at 31 December 2015 are as follows :-

Secured	Short Term RM'000	Long Term RM'000
Hire purchase payables	11	46
Bankers' acceptances (90 days to 150 days)	9,658	-
Revolving credits	3,000	-
	12,669	46

All borrowings of the Group are denominated in Ringgit Malaysia.

B8. 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 2014 up to the date of this interim report.

B9. Dividends

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

B10. 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 31 Dec 2015	Preceding Year Corresponding Quarter Ended 31 Dec 2014	Current Year To Date 31 Dec 2015	Preceding Year Corresponding Period To Date 31 Dec 2014
(Loss) / Profit attributable to the equity holders of the Company (RM'000)	(581)	(1,671)	897	(4,294)
Weighted average number of ordinary shares in issue ('000)	295,001	295,001	295,001	295,001
Basic (loss) / earnings per share (sen)	(0.20)	(0.57)	0.30	(1.46)

Note :

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11. Realised and Unrealised Profits

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

	Current Quarter Ended 31 Dec 2015 RM'000	Preceding Financial Year Ended 31 Dec 2014 RM'000
Total retained profits of the Group :-		
- Realised	9,224	8,344
- Unrealised	1,226	1,209
	<u>10,450</u>	<u>9,553</u>
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>10,450</u>	<u>9,553</u>

B12. (Loss) / Profit for the Period

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

	Current Quarter Ended 31 Dec 2015 RM'000	Current Year Ended 31 Dec 2015 RM'000
(a) Interest income	(70)	(322)
(b) Other income	(151)	(1,029)
(c) Interest expense	71	350
(d) Depreciation and amortisation	38	170
(e) Foreign exchange (gain)/ loss (net) :		
(i) Unrealised Loss on Foreign Exchange	224	140

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

B13. 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 26 February 2016.

By Order of the Board of Directors

WAN THEAN HOE
CHIEF EXECUTIVE OFFICER
 26 February 2016