

PESTECH INTERNATIONAL BERHAD

(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended	Preceding year quarter ended	Current year to date	Preceding year to date
	30 Sep 2012 RM'000	30 Sep 2011 RM'000	30 Sep 2012 RM'000	30 Sep 2011 RM'000
Revenue	32,598	N/A	84,057	N/A
Cost of sales	(23,635)	N/A	(62,163)	N/A
Gross profit	8,963	N/A	21,894	N/A
Other income	886	N/A	2,760	N/A
Administration expenses	(3,965)	N/A	(11,894)	N/A
Profit from operations	5,884	N/A	12,760	N/A
Finance costs	(155)	N/A	(912)	N/A
Profit before taxation	5,729	N/A	11,848	N/A
Income tax expense	(1,641)	N/A	(3,372)	N/A
Profit for the period	4,088	N/A	8,476	N/A
Other comprehensive income:				
Exchange translation differences	-	N/A	59	N/A
Other comprehensive loss:				
Corporate expenses	(577)	N/A	(1,140)	N/A
Exchange translation differences	(50)	N/A	(106)	N/A
Total comprehensive income for the period	3,461	N/A	7,289	N/A
Attributable to :				
Equity holders of the Company	3,466	N/A	7,303	N/A
Non-controlling interest	(5)	N/A	(14)	N/A
	3,461	N/A	7,289	N/A
EBITDA	6,295	N/A	13,728	N/A
Earnings Per Share (Sen)				
- Basic (Sen)	4.30	N/A	9.07	N/A
- Diluted (Sen)	N/A	N/A	N/A	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 third 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 30 SEPTEMBER 2012

	Unaudited As At 30 Sep 2012	Audited As At 31 Dec 2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,054	10,144
Current assets		
Inventories	12,400	17,483
Trade receivables	40,344	21,087
Other receivables, deposits and prepayments	3,885	2,375
Amount due from contract customers	14,795	-
Amount due from jointly-controlled entity	13	11
Fixed deposits with licensed banks	5,826	11,153
Cash and bank balances	7,620	15,738
Total current assets	84,883	67,847
Total assets	99,937	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	(63)	(16)
Retained profits	42,844	35,494
	58,281	38,841
Non-controlling interest	(17)	(3)
Total equity	58,264	38,838
Liabilities		
Non-current liabilities		
Finance lease liabilities	1,400	188
Borrowings	2,062	2,405
Deferred tax liability	221	221
	3,683	2,814
Current liabilities		
Trade payables	17,972	14,865
Other payables	1,730	2,315
Amount due to contract customers	-	2
Amount due to directors	732	2,445
Finance lease liabilities	540	55
Borrowings	15,979	15,358
Provision for taxation	1,037	1,299
	37,990	36,339
Total liabilities	41,673	39,153
Total equity and liabilities	99,937	77,991
Net assets per share (Sen)	72.37	53.20

PESTECH INTERNATIONAL BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	(47)	-	7,350	7,303	(14)	7,289
Transactions with owners:								
Issue of share capital	6,440	5,697	-	-	-	12,137	-	12,137
Balance as at 30 Sep 2012	42,940	5,697	(63)	(33,137)	42,844	58,281	(17)	58,264

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 third quarterly report to Bursa Malaysia Securities Berhad after the company listed on 30 May 2012.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

	Current year to date 30 Sep 2012 RM'000	Preceding year to date 30 Sep 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,848	N/A
Adjustments for:-		
Depreciation on property, plant and equipment	968	N/A
Interest expense	912	N/A
Interest income	(323)	N/A
Gain on disposal of property, plant and equipment	(54)	N/A
Unrealised gain on foreign exchange	(594)	N/A
Unrealised loss on foreign exchange	303	N/A
Operating profit before working capital changes	13,060	N/A
Changes in working capital:-		
Inventories	5,083	N/A
Receivables	(21,841)	N/A
Payables	3,107	N/A
Contract customers	(14,822)	N/A
Directors	(1,713)	N/A
Cash used in operations	(17,126)	N/A
Tax paid	(3,602)	N/A
Net cash used in operating activities	(20,728)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	323	N/A
Proceeds from of property, plant and equipment	60	N/A
Purchase of property, plant and equipment	(4,057)	N/A
Withdrawal of fixed deposits	5,327	N/A
Net cash from investing activities	1,653	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Corporate expenses paid	(1,280)	N/A
Interest paid	(890)	N/A
Issuance of shares	12,880	N/A
Proceeds from borrowings	26,229	N/A
Repayment of borrowings	(26,382)	N/A
Repayment of finance lease liabilities	(159)	N/A
Net movement of bank balance pledged to financial institution	4,058	N/A
Net cash from financing activities	14,456	N/A
CASH AND CASH EQUIVALENTS		
Net changes	(4,619)	N/A
Cash and cash equivalents at beginning of period	1,235	N/A
Effect on foreign exchange translation	(29)	N/A
Cash and cash equivalents at end of period	(3,413)	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

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 third quarterly report to Bursa Malaysia Securities Berhad after the company listed on 30 May 2012.

PESTECH INTERNATIONAL BERHAD
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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 third interim financial report on the combined results of the third quarter ended 30 September 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 period ended 30 September 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 period ended 30 September 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 period ended 30 September 2012.

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A7. Dividend Paid

No interim ordinary dividend has been paid in the financial quarter and the period ended 30 September 2012.

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 period ended 30 September 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 30 September 2012 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
Total Revenue	141	27,380	5,656	(579)	32,598
Inter-segment revenue	(141)	(408)	(30)	579	-
Revenue from external customer	-	26,972	5,626	-	32,598
Interest income	107	62	13	(107)	75
Finance costs	(108)	(127)	(27)	107	(155)
Net finance expense	(1)	(65)	(14)	-	(80)
Segment profit before taxation	973	4,255	1,083	(582)	5,729
Segment profit after taxation	961	2,925	784	(582)	4,088
	← Results for the period ended 30 September 2012 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
Total Revenue	423	66,364	18,152	(882)	84,057
Inter-segment revenue	(423)	(396)	(63)	882	-
Revenue from external customer	-	65,968	18,089	-	84,057
Interest income	330	245	70	(322)	323
Finance costs	(323)	(708)	(203)	322	(912)
Net finance expense	7	(463)	(133)	-	(589)
Segment profit before taxation	538	7,449	4,469	(608)	11,848
Segment profit after taxation	515	5,296	3,273	(608)	8,476

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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 30 Sep 2012 RM'000	Preceding quarter ended 30 Sep 2011 RM'000	Current year to date 30 Sep 2012 RM'000	Preceding year to date 30 Sep 2011 RM'000
Current tax	1,641	N/A	3,372	N/A

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 30 Sep 2012	Preceding quarter ended 30 Sep 2011	Current year to date 30 Sep 2012	Preceding year to date 30 Sep 2011
Profit attributable to equity holders of the Company (RM'000)	3,466	N/A	7,303	N/A
Weighted average number of ordinary shares in issue ('000)	80,513	N/A	80,513	N/A
Basic earnings per share (Sen)	4.30	N/A	9.07	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 30 September 2012, the Group acquired assets at a cost of RM1.848 million.

A14. Trade receivables

The trade receivables of the Group are as follow:

	Current year to date 30 Sep 2012 RM’000	Preceding year to date 30 Sep 2011 RM’000
Trade Receivables	26,690	N/A
Retention sums on contracts	13,654	N/A
	40,344	N/A

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 period ended 30 September 2012:

	Current year to date 30 Sep 2012 RM’000	Preceding year to date 30 Sep 2011 RM’000
Cash and bank balances	7,620	N/A
Fixed deposits	5,826	N/A
Bank overdrafts	(5,712)	N/A
	7,734	N/A
Less : Fixed deposits and bank balance pledged to licensed financial institutions	(11,147)	N/A
	(3,413)	N/A

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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 30 September 2012 were as follows:

	30 Sep 2012 RM'000
Non-current liabilities	
Secured:	
Finance lease liabilities	1,400
Term loans	2,062
	3,462
Current liabilities	
Secured:	
Finance lease liabilities	540
Term loans	294
Bank overdrafts	5,712
Banker acceptances	4,180
Trust receipts	5,793
	16,519
Total	19,981

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

	30 Sep 2012 RM'000
Ringgit Malaysia	13,213
United States Dollar	6,768
Total	19,981

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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 period reported

A16.1 Contract Awarded

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

Date Awarded	Customer	Project Description
1 October 2012	Tenaga Nasional Berhad	Supply, erect and commissioning of 132kV and 33kV switchgear, transformer and ancillary equipment, complete with associated civil works for PMU 132/33kV Bukit Siput extension (2x90MVA), Johor.
19 October 2012	Tenaga Nasional Berhad	Establishment of PMU 132/33kV 2x45MVA at PMU New Bukit Ketri

The contract period of the abovementioned projects are four hundred fifty five (455) days and five hundred forty six (546) days respectively from the commencement date and is expected to contribute positively to the future earnings of the Group.

A16.2 Dividend Paid

The following dividend was paid after the period reported:

Interim dividend for financial year ended	31 December 2012
Approved and declared on	23 August 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

A18. Contingent Assets and Liabilities

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

	30 Sep 2012
	RM'000
Bank guarantees given to customers and potential customers are for :	
Advance payment bond	2,531
Performance bonds	30,910
Tender bonds	5,747
	39,188

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

A19. Capital Commitment

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

	30 Sep 2012 RM'000
Amount authorised but not contracted for	340

A20. Significant Related Party Transactions

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

	30 Sep 2012 RM'000
Related companies by virtue of common shareholders:	
Purchased of material and services rendered	3,980

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 RM32.6 million and profit after taxation of RM4.1 million for the financial quarter under review. Revenue contributed by Projects and Products accounted for RM27.0 million or 82.8% and RM5.6 million or 17.2% respectively.

The group revenue for the nine months ended 30 September 2012 was RM84.1 million and profit after taxation was RM8.5 million. Revenue contributed by Projects was RM66.0 million or 78.5% and Products was RM18.1 million or 21.5%.

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
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	RM'000	RM'000	RM'000	RM'000
Interest income	75	N/A	323	N/A
Interest expense	(155)	N/A	(912)	N/A
Gain on foreign exchange:				
- Realised	384	N/A	1,607	N/A
- Unrealised	256	N/A	594	N/A
Gain on disposal of property, plant and equipment	-	N/A	58	N/A
Loss on foreign exchange:				
- Realised	(720)	N/A	(1,511)	N/A
- Unrealised	(165)	N/A	(303)	N/A
Loss on disposal of property, plant and equipment	-	N/A	(4)	N/A
Depreciation of property, plant and equipment	(411)	N/A	(968)	N/A

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 30 September 2012, we recorded revenue of RM32.6 million representing an increase of RM7.1 million or 27.8% as compared to RM25.5 million in the financial quarter ended 30 June 2012.

During the financial quarter, our Project revenue had increased significantly from RM22.2 million in previous financial quarter to RM27.0 million, representing an increase of RM4.8 million or 21.6%. The increase in Project revenue was mainly due to billings for local projects for Sarawak Energy Berhad and industrial customers in Sarawak Corridor of Renewable Energy (SCORE), and Tenaga Nasional Berhad (TNB) in Johor.

During the financial quarter, our Group recorded Product revenue of RM5.6 million, an increase of 64.7% from RM3.4 million recorded in the previous financial quarter ended 30 June 2012. The increase was mainly due to supply of products for orders obtained during the financial year.

The Group recorded a profit after taxation of RM4.1 million, an increase of RM2.3 million as compared to previous financial quarter of RM1.8 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 prospects for growth are positive with the Group order book of RM253.7 million as at 30 September 2012. The Company was subsequently awarded two more projects from TNB for RM28 million, amongst others, which are billable until 2014. As of 31 October 2012, the group order book stood at RM295.6 million puts PESTECH in a comfortable position to undertake more niche and strategic projects.

The Group continues to receive opportunities to participate in building infrastructure for electric transmission and distribution projects in the ASEAN growth region. New demand for energy in neighbouring countries such as Laos that requires and now venturing into hydro power, gives us opportunities to work in Laos as power grid builder. This is further enhanced with the recent Memorandum of Understanding (MOU) signed between PESTECH and Electricité Du Laos (EDL). PESTECH is currently submitting a proposal for the building of substations together with transmission lines for deliverance of additional power from Laos to Thailand.

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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)

Domestically, the government initiation of the Economic Transformation Plan (ETP), the estimated GDP growth of between 4.5% - 5.5% as announced in the recent Budget 2013 and continuous system upgrading requirements by TNB provide opportunities for the Group to procure projects with good returns and prospects. The government allocated 5% of its budget for rural electrification in the ETP. These coupled with continuous private foreign investment into Iskandar Development and Northern Corridor, we see a lot of potential for PESTECH to utilise its know-how to pursue more contracts in the niche market of being a Power Grid Builder.

B5. Profit forecast and profit guarantee

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

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 30 September 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 30 September 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	324	1,476
Working capital	12 months	2,580	2,650	(70)
Estimated listing expenses	3 months	2,500	2,430	70
Total		12,880	11,404	1,476

PESTECH INTERNATIONAL BERHAD
(Co. No. 948035-U)

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

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:

30 September 2012

Interim dividend for financial year ended	31 December 2012
Dividend per share (single-tier)	1.6 sen
Record of Depositors as at	26 December 2012
Date payable	25 January 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 9 November 2012.