

PESTECH INTERNATIONAL BERHAD

(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF THE COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 June 2013 RM'000	Preceding year corresponding quarter 30 June 2012 RM'000	Current year to date 30 June 2013 RM'000	Preceding year corresponding period 30 June 2012 RM'000
Revenue	41,563	25,531	65,833	51,459
Cost of sales	(29,884)	(18,868)	(47,285)	(38,528)
Gross profit	11,679	6,663	18,548	12,931
Other income	54	1,331	344	1,874
Administration expenses	(4,498)	(5,686)	(8,095)	(8,492)
Profit from operations	7,235	2,308	10,797	6,313
Finance costs	(404)	(382)	(766)	(757)
Profit before taxation	6,831	1,926	10,031	5,556
Income tax expense	(1,858)	(717)	(2,658)	(1,731)
Profit for the period	4,973	1,209	7,373	3,825
Other comprehensive income:				
Exchange translation differences	(1)	59	27	3
Total comprehensive income for the period	4,972	1,268	7,400	3,828
Attributable to:				
Equity holders of the Company	4,964	1,272	7,399	3,837
Non-controlling interest	8	(4)	1	(9)
	4,972	1,268	7,400	3,828
EBITDA	7,806	2,607	11,922	6,870
Earnings Per Share (Sen)				
- Basic (Sen)	5.78	1.58	8.62	4.77
- Diluted (Sen)	N/A	N/A	N/A	N/A

Note:

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

PESTECH INTERNATIONAL BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Unaudited As At 30 June 2013 RM'000	Audited As At 31 Dec 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,286	16,689
Current assets		
Inventories	19,059	13,038
Trade receivables	50,671	54,080
Other receivables, deposits and prepayments	6,653	5,231
Amount due from contract customers	16,730	19,495
Amount due from related companies	13	14
Fixed deposits with licensed institutions	5,218	5,868
Cash and bank balances	15,813	14,633
Total current assets	114,157	112,359
Total assets	131,443	129,048
EQUITY AND LIABILITIES		
Equity		
Share capital	42,940	42,940
Share premium	5,697	5,697
Reserves	21,315	16,750
	69,952	65,387
Non-controlling interest	(3)	(4)
Total equity	69,949	65,383
Liabilities		
Non-current liabilities		
Finance lease liabilities	2,616	1,443
Borrowings	1,788	1,837
Deferred tax liability	441	441
	4,845	3,721
Current liabilities		
Trade payables	19,503	30,232
Other payables	2,798	3,577
Amount due to directors	770	770
Finance lease liabilities	1,008	634
Borrowings	29,724	21,959
Provision for taxation	2,846	2,772
	56,649	59,944
Total liabilities	61,494	63,665
Total equity and liabilities	131,443	129,048
Net assets per share (Sen)	81.45	76.13

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 30 JUNE 2013

	← Attributable to equity holders of the Company →						Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Non-distributable Exchange translation reserve RM'000	Distributable Merger reserve RM'000	Distributable Retained earnings RM'000	Total RM'000		
Balance as at 1 Jan 2013	42,940	5,697	(70)	(33,137)	49,957	65,387	(4)	65,383
Total comprehensive income			27		7,372	7,399	1	7,400
Transactions with owners:								
Dividend Paid					(2,834)	(2,834)		(2,834)
Balance as at 30 June 2013	42,940	5,697	(43)	(33,137)	54,495	69,952	(3)	69,949

Note:

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2013

	Current year to date 30 June 2013 RM'000	Preceding year to date 30 June 2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,031	5,556
Adjustment for:-		
Corporate expenses	-	563
Depreciation on property, plant and equipment	1,125	557
Interest expense	766	757
Interest income	(80)	(248)
Loss on disposal of property, plant and equipment	-	(54)
Unrealised loss / (gain) on foreign exchange	8	(200)
Operating profit before working capital changes	11,850	6,931
Changes in working capital:-		
Inventories	(6,021)	1,603
Receivables	1,987	(16,258)
Payables	(10,134)	1,025
Contract customers	2,765	(1,439)
Directors	-	(1,713)
Cash generated from / (used in) operations	447	(9,851)
Tax paid	(2,584)	(2,541)
Net cash used in operating activities	(2,137)	(12,392)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	80	248
Proceeds from disposal of property, plant and equipment	-	60
Purchase of property, plant and equipment	(1,712)	(2,947)
Withdrawal of fixed deposits	-	2,023
Net cash used in investing activities	(1,632)	(616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,208)	-
Corporate expenses paid	-	(1,280)
Interest paid	(766)	(757)
Issuance of shares	-	12,880
Proceeds from borrowings	31,049	18,778
Repayment of borrowings	(22,167)	(22,476)
Net movement of bank balance pledged to financial institution	1,380	3,854
Net cash from financing activities	5,288	10,999

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2013 (CONT'D)

	Current year to date 30 June 2013 RM'000	Preceding year to date 30 June 2012 RM'000
CASH AND CASH EQUIVALENTS		
Net changes	1,519	(2,009)
Cash and cash equivalents at beginning of the year	14,208	1,235
Effect on foreign exchange translation	10	(2)
Cash and cash equivalents at end of the period	15,737	(776)

Note:

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

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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”).

The interim financial report should be read in conjunction with the audited annual financial report of the Company for the financial year ended 31 December 2012.

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 2012.

The accounting policies and methods of computation adopted by the Company in this interim financial report are consistent with those adopted in the most recent annual financial report for the year ended 31 December 2012, except for the adoption of new accounting standards.

A2. Adoption of new accounting standards

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 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 June 2013.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial period that have had a material effect in the current financial quarter and the period ended 30 June 2013.

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 June 2013.

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A7. Dividend Paid

The following interim dividend was paid during the period reported:

Interim dividend for financial year ended	31 December 2012
Approved and declared on	22 February 2013
Date paid	26 April 2013
Number of ordinary shares on which dividends were paid ('000)	85,880
Dividend per share (single-tier)	3.3 sen
Net dividend paid (RM'000)	2,834

A8. Changes in Composition of the Group

There is no change in composition of the Group during the financial quarter and the period ended 30 June 2013.

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 June 2013.

A10. Segmental Information

The Group is organized into the following operating segments:-

	← Results for the quarter ended 30 June 2013 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
Total Revenue	141	40,866	1,717	(1,161)	41,563
Inter-segment revenue	(141)	(673)	(347)	1,161	-
Revenue from external customer	-	40,193	1,370	-	41,563
Interest income	115	36	-	(115)	36
Finance costs	(116)	(395)	(8)	115	(404)
Net finance expense	(1)	(359)	(8)	-	(368)
Segment profit before taxation	(1,092)	7,598	353	(28)	6,831
Segment profit after taxation	(1,097)	5,808	290	(28)	4,973

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A10. Segmental Information (Cont’d)

The Group is organized into the following operating segments:-

	← Results for the quarter ended 30 June 2012 →				Total RM’000
	Investment RM’000	Project RM’000	Product RM’000	Elimination RM’000	
Revenue					
Total Revenue	141	22,153	3,399	(162)	25,531
Inter-segment revenue	(141)	-	(21)	162	-
Revenue from external customer	<u>-</u>	<u>22,153</u>	<u>3,378</u>	<u>-</u>	<u>25,531</u>
Interest income	108	118	17	(108)	135
Finance costs	(108)	(330)	(52)	108	(382)
Net finance expense	<u>-</u>	<u>(212)</u>	<u>(35)</u>	<u>-</u>	<u>(247)</u>
Segment profit before taxation	(566)	1,992	535	(35)	1,926
Segment profit after taxation	(571)	1,411	404	(35)	1,209

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A10. Segmental Information (Cont’d)

The Group is organized into the following operating segments:-

	←————— Results for the period ended 30 June 2013 —————→				Total RM’000
	Investment RM’000	Project RM’000	Product RM’000	Elimination RM’000	
Revenue					
Total					
Revenue	282	62,733	4,623	(1,805)	65,833
Inter- segment revenue	(282)	(1,152)	(371)	1,805	-
Revenue from external customer	-	61,581	4,252	-	65,833
Interest income	110	182	13	(225)	80
Finance costs	(226)	(713)	(52)	225	(766)
Net finance expense	(116)	(531)	(39)	-	(686)
Segment profit before taxation	(1,261)	10,274	894	124	10,031
Segment profit after taxation	(1,271)	7,814	706	124	7,373

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A10. Segmental Information (Cont’d)

The Group is organized into the following operating segments:-

	←————— Results for the period ended 30 June 2012 —————→				Total RM’000
	Investment RM’000	Project RM’000	Product RM’000	Elimination RM’000	
Revenue					
Total					
Revenue	282	39,169	12,311	(303)	51,459
Inter- segment revenue	(282)	-	(21)	303	-
Revenue from external customer	-	39,169	12,290	-	51,459
Interest income	216	189	59	(216)	248
Finance costs	(216)	(566)	(191)	216	(757)
Net finance expense	-	(377)	(132)	-	(509)
Segment profit before taxation	(582)	4,897	1,267	(26)	5,556
Segment profit after taxation	(592)	3,633	810	(26)	3,825

A11. Income tax expense

	Current year quarter ended 30 June 2013 RM’000	Preceding year corresponding quarter 30 June 2013 RM’000	Current year to date 30 June 2013 RM’000	Preceding year corresponding to date 30 June 2013 RM’000
Current year taxation	1,858	717	2,658	1,731

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

The effective tax rates of the Group for the current quarters and the preceding quarter were higher due to certain expenses which are not deductible for tax purposes.

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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 year quarter ended 30 June 2013	Preceding year corresponding quarter 30 June 2012	Current year to date 30 June 2013	Preceding year corresponding to date 30 June 2012
Profit attributable to equity holders of the Company (RM'000)	4,964	1,272	7,399	3,837
Weighted average number of ordinary shares in issue ('000)	85,880	80,513	85,880	80,513
Basic earnings per share (Sen)	5.78	1.58	8.62	4.77

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.

A13. Property, plant and equipment

During the current financial quarter ended 30 June 2013, the Group acquired assets at a cost of RM1.712 million.

A14. Trade Receivables

The trade receivables of the Group were as follows:

	Unaudited As At 30 June 2013 RM'000	Audited As At 31 Dec 2012 RM'000
Trade Receivables	36,360	39,120
Retention sums on contracts	14,311	14,960
	50,671	54,080

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

A15. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprising the following:

	Unaudited As At 30 June 2013 RM'000	Preceding year to date 30 June 2012 RM'000
Cash and bank balances	15,813	10,477
Fixed deposits	5,218	9,130
Bank overdrafts	(4,798)	(5,728)
	16,233	13,879
Less : Fixed deposits and bank balance pledges to licensed financial institutions	(496)	(14,655)
	15,737	(776)

A16. Borrowings and Debts Securities

Total borrowings of the group were as follows:

	Unaudited As At 30 June 2012 RM'000	Audited As At 31 Dec 2012 RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	2,616	1,443
Term Loans	1,788	1,837
	4,404	3,280
Current liabilities		
Secured:		
Finance lease liabilities	1,008	634
Term loans	97	95
Bank overdrafts	4,798	4,417
Banker acceptances	12,973	8,866
Trust receipts	11,856	8,581
	30,732	22,593
Total	35,136	25,873

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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 (Cont’d)

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

	Unaudited As At 30 June 2012 RM’000	Audited As At 31 Dec 2012 RM’000
Ringgit Malaysia	34,190	20,564
Euro	145	-
United States Dollar	801	5,309
	35,136	25,873

**A17. Material Event Subsequent to the end of financial period reported
Dividend Paid**

The following dividend was paid after the period reported

Final dividend for the financial year ended	31 December 2012
Approved and declared on	27 June 2013
Date paid	7 August 2013
Number of ordinary shares on which dividends were paid (’000)	85,880
Dividend per shares (single-tier)	2.0 sen
Net dividend paid (RM’000)	1,718

A18. Contingent Assets and Liabilities

Corporate guarantees extended by the Company to financial institutions for credit facilities granted to subsidiaries as at the end of the reporting period were as follows:-

	Unaudited As At 30 June 2013 RM’000	Audited As At 31 Dec 2012 RM’000
Unsecured:		
Finance lease liabilities of subsidiaries	1,454	1,567
Loan and borrowings of subsidiaries	29,719	15,769

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to banks and financial institutions requiring parent guarantees as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of “at market” terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on corporate guarantee to be recognised in the financial statements.

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

A18. Contingent Assets and Liabilities (Cont’d)

Details of contingent liabilities of the Group were as follows:-

	Unaudited As At 30 June 2013 RM’000	Audited As At 31 Dec 2012 RM’000
Bank guarantees given to customers and potential customers are for:		
Advance payment bonds	2,531	2,530
Performance bonds	31,370	35,091
Tender bonds	2,009	3,004
	35,910	40,625

A19. Capital Commitments

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

	Unaudited As At 30 June 2013 RM’000	Audited As At 31 Dec 2012 RM’000
Amount authorised but not contracted for	5,258	410

A20. Significant Related Party Transactions

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

	Unaudited As At 30 June 2013 RM’000	Audited As At 31 Dec 2012 RM’000
Related companies by virtue of common shareholders:		
Purchased of material and services rendered	5,814	7,611

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

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

B1. Review of performance of the Group

The Group recorded revenue of RM41.6 million and profit after taxation of RM5.0 million for the financial quarter under review. Revenue contributed by Projects and Products accounted for RM40.2 million or 96.6% and RM1.4 million or 3.4% respectively.

Group revenue for the six months ended 30 June 2013 was RM65.8 million and profit after taxation of RM7.4 million. Revenue contributed by Projects was RM61.6 million or 93.6% and Products was RM4.3 million or 6.5% respectively.

The group maintained gross profit margin of 28%, similar to that of previous financial year ended 31 December 2012 of 28.5%.

B2. Profit before taxation

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

	Current year quarter ended 30 June 2013 RM'000	Preceding year corresponding quarter 30 June 2012 RM'000	Current year to date 30 June 2013 RM'000	Preceding year corresponding to date 30 June 2012 RM'000
Interest income	36	135	80	248
Interest expenses	(404)	(382)	(766)	(757)
Gain / (Loss) on foreign exchange:				
- Realised	16	256	259	432
- Unrealised	6	(46)	(8)	200
Gain / (Loss) on disposal of property, plant and equipment	-	58	-	54
Depreciation of property, plant and equipment	(571)	(299)	(1,125)	(557)

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 year corresponding quarter

For the current financial quarter under review, we recorded revenue of RM41.6 million representing an increase of RM16.1 million or 63.1% as compared to RM25.5 million in the preceding year corresponding financial quarter. This is mainly due to project phases we are at, namely equipment deliverance stage.

During the financial quarter, our Project revenue had increased significantly from RM22.2 million in preceding year corresponding financial quarter to RM40.2 million, representing an increase of RM18.0 million or 81.1%. The increase in Project revenue was mainly due to billings for local projects for utilities and industrial customers in Sarawak Corridor of Renewable Energy (SCORE) region and Johor.

During the financial quarter, our Group recorded Product revenue of RM1.4 million, a decrease of RM2.0 million or 58.8% from RM3.4 million recorded in the preceding year corresponding financial quarter. The decreased in mainly due to our Product being used in our own Projects.

The Group recorded a profit after taxation of RM5.0 million, an increase of RM3.8 million or tripled as compared to preceding year corresponding financial quarter of RM1.2 million. This result is within expectation.

B4. Prospects

PESTECH International Berhad (“PIB”) closes its second quarter with much improved business performance and shifts into higher gear towards an invigorating growth expectation in the next two quarters.

PIB’s wholly owned subsidiary, PESTECH Sdn Bhd (“PSB”), recently participated in a tender to quote for substation equipment supply in the Republic of the Union of Myanmar (“Myanmar”), which marks its maiden and significant effort to secure a portion of the relatively underserved market in Myanmar.

The scope of supply includes equipment and plant design relevant to PSB’s portion of supply, which incorporates sourcing, drawing submission, manufacture, factory testing and delivery for the equipment for 5 substations. Should this tender be successful, it will allow the Group to set its foothold in Myanmar and act as a catalyst for its subsequent project procurement in the country.

Apart from the encouraging development in Indochina, PSB has also successfully get itself accredited as approved vendor by the National Grid Corporation of the Philippines (“NGCP”). The accreditation process consists of determining the applicant’s legal existence, business rating, business risk and technical capability. The accreditation would allow PSB to participate in bidding for projects involving provision of civil works, erection, supply and install of equipment, and turnkey projects to NGCP.

PSB is also forming non-incorporated joint ventures to establish partnership in participation of tenders for Metropolitan Electricity Authority (“MEA”) projects in the Kingdom of Thailand. As such, going forward, PSB would be able to participate in various project tenders involving MEA in Thailand, thus further expand the Group’s market reach in the region.

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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)

Whilst efforts are allocated towards pursuing entry into new markets, it should be highlighted also that the current tender book is growing continuously. Our tender book has now surpassed the RM1 billion marks and it is expected that the trend will persist throughout the remaining financial year.

As such, it is anticipated that the subsequent two quarters of financial year ending 2013 would bring much excitement to the overall business of PIB. On the back of these positive developments, the management endeavors to continue delivering progressively improving business results for the rest of the year.

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:-

Utilisation of proceeds

The actual utilization of proceeds as at 30 June 2013 was as follows:-

Purpose of the utilisation	Estimated time frame for utilisation from date of Listing	Proposed utilisation RM'000	Actual utilization as at 30 June 2013 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	866	934
Working capital	12 months	2,580	2,650	(70)
Estimated listing expenses	3 months	2,500	2,430	70
Total		12,880	11,946	934

B7. Material litigation

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

B8. Proposed dividend

The Board has declared a single tier interim dividend of 3.0sen per ordinary share in respect of the financial ending 31 December 2013.

B9. Auditors' report

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 31 December 2012.

B10. Authorisation for issue

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)**

The interim financial report was authorised for issued by the Board of Directors in accordance with a resolution of the Directors on 22 August 2013.