

**PESTECH INTERNATIONAL BERHAD**
**(Co. No. 948035-U)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIFTH QUARTER AND PERIOD ENDED 31 MARCH 2015**

	Individual Quarter		Cumulative Quarter	
	Current period quarter	Preceding period corresponding quarter	Current period to date	Preceding period corresponding period
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Revenue	73,311	N/A	311,879	N/A
Cost of sales	(60,259)	N/A	(237,905)	N/A
Gross profit	13,052	N/A	73,974	N/A
Other income	2,173	N/A	2,472	N/A
Administration expenses	(6,293)	N/A	(29,823)	N/A
Profit from operations	8,932	N/A	46,623	N/A
Finance costs	(1,352)	N/A	(5,335)	N/A
Share of associate's result	(232)	N/A	(658)	N/A
Profit before taxation	7,348	N/A	40,630	N/A
Income tax expense	395	N/A	(8,604)	N/A
Profit for the period	7,743	N/A	32,026	N/A
Other comprehensive income:				
Exchange translation differences	549	N/A	690	N/A
Total comprehensive income for the period	8,292	N/A	32,716	N/A
Profit for the period attributable to:				
Equity holders of the Company	7,740	N/A	32,025	N/A
Non-controlling interest	3	N/A	1	N/A
	7,743	N/A	32,026	N/A
Total comprehensive income attributable to:				
Equity holders of the Company	8,289	N/A	32,715	N/A
Non-controlling interest	3	N/A	1	N/A
	8,292	N/A	32,716	N/A
EBITDA	9,818	N/A	50,520	N/A
Earnings Per Share (Sen)				
- Basic (Sen)	5.37	N/A	22.21	N/A

**Note:**

As announced on 15 August 2014, the financial year end has been changed from 31 December to 30 June to cover the eighteen (18) months period from 1 January 2014 to 30 June 2015 and thereafter, to end at 30 June each year. Accordingly, there are no comparative figures following the change of financial year end. The comparative figures would only be available from the first quarter of the financial year ending 30 June 2016.

**PESTECH INTERNATIONAL BERHAD**

(Co. No. 948035-U)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	<b>Unaudited As At 31 Mar 2015 RM'000</b>	<b>Audited As At 31 Dec 2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,753	24,512
Investment in an associated company	1,991	1,013
<b>Total non-current assets</b>	<b>35,744</b>	<b>25,525</b>
<b>Current assets</b>		
Inventories	70,794	62,657
Trade receivables	88,390	73,716
Other receivables, deposits and prepayments	12,585	9,492
Amount due from contract customers	107,720	22,659
Amount due from related companies	23	17
Short-term deposits with licensed institutions	122	147
Cash and bank balances	4,519	17,878
<b>Total current assets</b>	<b>284,153</b>	<b>186,566</b>
<b>Total assets</b>	<b>319,897</b>	<b>212,091</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	87,188	46,219
Share premium	35,382	19,344
Reserves	42,162	26,717
	164,732	92,280
Non-controlling interest	4	3
<b>Total equity</b>	<b>164,736</b>	<b>92,283</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	3,227	4,653
Loans and borrowings	2,960	4,628
Deferred tax liability	530	1,101
<b>Total non-current liabilities</b>	<b>6,717</b>	<b>10,382</b>
<b>Current liabilities</b>		
Trade payables	39,335	41,815
Other payables	12,623	6,064
Amount due to contract customers	-	606
Amount due to directors	777	772
Finance lease liabilities	1,633	1,529
Loans and borrowings	93,111	56,249
Provision for taxation	965	2,391
<b>Total current liabilities</b>	<b>148,444</b>	<b>109,246</b>
<b>Total liabilities</b>	<b>155,161</b>	<b>119,808</b>
<b>Total equity and liabilities</b>	<b>319,897</b>	<b>212,091</b>

**PESTECH INTERNATIONAL BERHAD****(Co. No. 948035-U)****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	<b>Unaudited As At 31 Mar 2015 RM'000</b>	<b>Audited As At 31 Dec 2013 RM'000</b>
<b>Net assets per share (Sen)</b>	94.47	99.83

**Note:**

As announced on 15 August 2014, the financial year end has been changed from 31 December to 30 June to cover the eighteen (18) months period from 1 January 2014 to 30 June 2015 and thereafter, to end at 30 June each year. Accordingly, there are no comparative figures following the change of financial year end. The comparative figures would only be available from the first quarter of the financial year ending 30 June 2016.

**PESTECH INTERNATIONAL BERHAD**
**(Co. No. 948035-U)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIFTH QUARTER AND PERIOD ENDED 31 MARCH 2015**

← Attributable to equity holders of the Company →

	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	Non- controlling interest RM'000	Total Equity RM'000
Balance as at 1 Jan 2014	46,219	19,344	186	(33,137)	59,668	92,280	3	92,283
Total comprehensive income	-	-	690	-	32,025	32,715	1	32,716
<b>Transactions with owners:</b>								
Issue of share capital	38,970	5,193	-	-	-	44,163	-	44,163
Dividend paid	1,999	10,845	-	-	(17,270)	(4,426)	-	(4,426)
<b>Balance as at 31 Mar 2015</b>	<b>87,188</b>	<b>35,382</b>	<b>876</b>	<b>(33,137)</b>	<b>74,423</b>	<b>164,732</b>	<b>4</b>	<b>164,736</b>

Note:

As announced on 15 August 2014, the financial year end has been changed from 31 December to 30 June to cover the eighteen (18) months period from 1<sup>st</sup> January 2014 to 30 June 2015 and thereafter, to end at 30 June each year. Accordingly, there are no comparative figures following the change of financial year end. The comparative figures would only be available from the first quarter of the financial year ending 30 June 2016.

**PESTECH INTERNATIONAL BERHAD**
**(Co. No. 948035-U)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2015**

	<b>15 months ended</b>	
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW USED IN OPERATING ACTIVITIES</b>		
Profit before taxation	40,630	N/A
Adjustments for:-		
Depreciation on property, plant and equipment	3,897	N/A
Interest expense	5,335	N/A
Interest income	(72)	N/A
Fair value of share granted under SGP	3,021	N/A
Gain on disposal of property, plant and equipment	(13)	N/A
Share of associate's result	658	N/A
Unrealised gain on foreign exchange	(224)	N/A
Operating profit before working capital changes	53,232	N/A
Changes in working capital:-		
Inventories	(8,137)	N/A
Receivables	(17,518)	N/A
Payables	559	N/A
Contract customers	(85,667)	N/A
Cash used in operations	(57,531)	N/A
Tax paid	(10,846)	N/A
Tax refunded	142	N/A
Net cash used in operating activities	(68,235)	N/A
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Interest received	72	N/A
Investment	(1,636)	N/A
Advance to a related company	(6)	N/A
Proceeds from disposal of property, plant and equipment	80	N/A
Purchase of property, plant and equipment	(13,113)	N/A
Bank balance realised from financial institution	400	N/A
Net cash used in investing activities	(14,203)	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Corporate expenses paid	(1,005)	N/A
Dividend paid	(924)	N/A
Interest paid	(5,335)	N/A
Share premium from public issue	36,374	N/A
Issuance of shares	5,772	N/A
Proceeds from borrowings	259,527	N/A
Repayment of borrowings	(230,140)	N/A
Net cash from financing activities	64,269	N/A

**PESTECH INTERNATIONAL BERHAD****(Co. No. 948035-U)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2015 (CONT'D)**

	<b>15 months ended</b>	
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(18,169)	N/A
Cash and cash equivalents at beginning of the year	17,503	N/A
Effect on foreign exchange translation	680	N/A
Cash and cash equivalents at end of the period	14	N/A

**Note:**

As announced on 15 August 2014, the financial year end has been changed from 31 December to 30 June to cover the eighteen (18) months period from 1 January 2014 to 30 June 2015 and thereafter, to end at 30 June each year. Accordingly, there are no comparative figures following the change of financial year end. The comparative figures would only be available from the first quarter of the financial year ending 30 June 2016.

**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. Accounting Policies and Basis of Preparation**

The condensed 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 condensed financial report should be read in conjunction with the audited annual financial report of the Company for the financial year ended 31 December 2013.

The explanatory notes attached to the condensed 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 2013.

The accounting policies and methods of computation adopted by the Company in this condensed financial report are consistent with those adopted in the most recent annual financial report for the year ended 31 December 2013, 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 condensed 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 31 March 2015.

**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 31 March 2015.

**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 31 March 2015 other than the following issuance of new ordinary shares of RM0.50 each pursuant to private placements:

Date	No of Shares	Issued Price
11 February 2015	3,000,000	RM3.90
18 February 2015	2,500,000	RM4.10
3 March 2015	1,800,000	RM4.10
	7,300,000	



**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A7. Dividend Paid**

There were no interim dividend paid during the financial quarter and the period ended 31 March 2015

**A8. Changes in Composition of the Group**

On 23 August 2013, the company entered into a share subscription agreement with the shareholders of SystemCorp Embedded Technology Pty Ltd (“SET”) for a piecemeal acquisition of 1,060,665 ordinary shares of SET in total for a cash consideration of AUD1,060,665, equivalent to approximately RM3,162,903 and representing 51% of the total issued and paid-up share capital of SET by 15 June 2015.

As at 31 March 2015, the company has completed the acquisition of 940,700 ordinary shares representing 48.00% of the total issued and paid up share capital of SET for a consideration of AUD940,700.

On 26 January 2015, the company acquired two (2) ordinary shares of RM1.00 each in the share capital of PESTECH Power Sdn. Bhd. (“**P-Power**”) for a total cash consideration of Ringgit Malaysia Two (RM2.00). Upon completion, P-Power became a wholly-owned subsidiary of PESTECH.

On 28 January 2015, PESTECH Power Sdn Bhd (“**P-Power**”), a wholly-owned subsidiary of the Company, incorporated a 60%-owned subsidiary in Cambodia, namely Diamond Power Limited (“**DPL**”).

**A9. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment during the financial quarter and the period ended 31 March 2015.

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

**A10. Segmental Information**

The Group is organized into the following operating segments:-

	←————— Results for the quarter ended 31 March 2015 —————→				Total RM'000
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	
Revenue					
Total Revenue	141	67,204	18,222	(12,256)	73,311
Inter-segment revenue	(141)	(1,382)	(10,733)	12,256	-
<b>Revenue from external customer</b>	-	65,822	7,489	-	73,311
Interest income	152	1	-	(124)	29
Finance costs	(124)	(1,224)	(128)	124	(1,352)
<b>Net finance income/ (expense)</b>	28	(1,223)	(128)	-	(1,323)
Segment profit before taxation	9,841	9,146	(318)	(11,321)	7,348
Segment profit after taxation	9,769	9,724	(429)	(11,321)	7,743

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

**A10. Segmental Information (Cont’d)**

The Group is organized into the following operating segments:-

	←————— Results for the quarter ended 31 March 2014 —————→				—————→
	Investment RM’000	Project RM’000	Product RM’000	Elimination RM’000	
Revenue					
Total Revenue	N/A	N/A	N/A	N/A	N/A
Inter-segment revenue	N/A	N/A	N/A	N/A	N/A
<b>Revenue from external customer</b>	N/A	N/A	N/A	N/A	N/A
Interest income	N/A	N/A	N/A	N/A	N/A
Finance costs	N/A	N/A	N/A	N/A	N/A
<b>Net finance expense</b>	N/A	N/A	N/A	N/A	N/A
Segment profit/(loss) before taxation	N/A	N/A	N/A	N/A	N/A
Segment profit/(loss) after taxation	N/A	N/A	N/A	N/A	N/A

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

**A10. Segmental Information (Cont’d)**

The Group is organized into the following operating segments:-

	← Results for the period ended 31 March 2015 →				Total RM'000
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	
Revenue					
Total Revenue	705	300,282	34,407	(23,515)	311,879
Inter-segment revenue	(705)	(9,277)	(13,533)	23,515	-
<b>Revenue from external customer</b>	-	291,005	20,874	-	311,879
Interest income	646	20	1	(595)	72
Finance costs	(596)	(4,978)	(356)	595	(5,335)
<b>Net finance income/ (expense)</b>	50	(4,958)	(355)	-	(5,263)
Segment profit before taxation	21,728	46,793	2,603	(30,494)	40,630
Segment profit after taxation	21,632	38,915	1,973	(30,494)	32,026

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

**A10. Segmental Information (Cont’d)**

The Group is organized into the following operating segments:-

	← Results for the period ended 31 March 2014 →				→
	Investment RM’000	Project RM’000	Product RM’000	Elimination RM’000	
Revenue					
Total Revenue	N/A	N/A	N/A	N/A	N/A
Inter-segment revenue	N/A	N/A	N/A	N/A	N/A
<b>Revenue from external customer</b>	N/A	N/A	N/A	N/A	N/A
Interest income	N/A	N/A	N/A	N/A	N/A
Finance costs	N/A	N/A	N/A	N/A	N/A
<b>Net finance expense</b>	N/A	N/A	N/A	N/A	N/A
Segment profit/(loss) before taxation	N/A	N/A	N/A	N/A	N/A
Segment profit/(loss) after taxation	N/A	N/A	N/A	N/A	N/A

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

**A11. Income tax expense**

	<b>Current year quarter ended 31 Mar 2015 RM'000</b>	<b>Preceding year corresponding quarter 31 Mar 2014 RM'000</b>	<b>Current year to date 31 Mar 2015 RM'000</b>	<b>Preceding year corresponding period 31 Mar 2014 RM'000</b>
Current year taxation	(395)	N/A	8,604	N/A

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 quarter and the preceding quarters were lower due to acceleration in capital allowance entitled 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 year.

	<b>Current year quarter ended 31 Mar 2015</b>	<b>Preceding year corresponding quarter 31 Mar 2014</b>	<b>Current year to date 31 Mar 2015</b>	<b>Preceding year corresponding period 31 Mar 2014</b>
Profit attributable to equity holders of the Company (RM'000)	7,740	N/A	32,025	N/A
Weighted average number of ordinary shares in issue ('000)	144,159	N/A	144,159	N/A
<b>Basic earnings per share (Sen)</b>	<b>5.37</b>	<b>N/A</b>	<b>22.21</b>	<b>N/A</b>

**A12.2 Diluted Earnings Per Share**

Diluted earnings per share were not computed as Company does not have any dilutive potential ordinary shares in issue as at the end of the financial period under review.

**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 31 March 2015, the Group acquired assets at a cost of RM9.92million.

**A14. Trade Receivables**

The trade receivables of the Group were as follows:

	<b>Unaudited As At 31 Mar 2015 RM'000</b>	<b>Audited As At 31 Dec 2013 RM'000</b>
Trade Receivables	56,314	56,266
Retention sums on contracts	32,076	17,450
	<b>88,390</b>	<b>73,716</b>

**A15. Cash and bank balances**

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

	<b>Unaudited As At 31 Mar 2015 RM'000</b>	<b>Preceding year to date 31 Mar 2014 RM'000</b>
Cash and bank balances	4,519	N/A
Fixed deposits	122	N/A
Bank overdrafts	(4,505)	N/A
	136	N/A
Less : Fixed deposits and bank balance pledges to licensed financial institutions	(122)	N/A
	<b>14</b>	<b>N/A</b>

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

**A16. Borrowings and Debts Securities**

Total borrowings of the group were as follows:

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
<b>Non-current liabilities</b>		
Secured:		
Finance lease liabilities	3,227	4,653
Term Loans	2,960	4,628
	6,187	9,281
<b>Current liabilities</b>		
Secured:		
Finance lease liabilities	1,633	1,529
Term loans	-	169
Bank overdrafts	4,505	-
Banker acceptances	37,206	11,996
Trust receipts	31,197	24,415
Revolving credit	20,203	-
Project-financing facility	-	19,669
	94,744	57,778
<b>Total</b>	100,931	67,059

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

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
Ringgit Malaysia	90,836	52,328
United States Dollar	5,425	13,191
Euro	4,670	1,445
Singapore Dollar	-	95
	100,931	67,059



**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A17. Material Event Subsequent to the end of financial period reported****A17.1 Changes in Composition of the group**

Subsequent to the financial period reported, on 14 April 2015 Pestech Sdn Bhd (“**PSB**”) a wholly-owned subsidiary Company acquired one (1) ordinary shares of USD1.00 in the share capital of Enersol Co. Ltd. (“**Enersol**”) for a total cash consideration of United State Dollar One (USD1.00). Upon completion, Enersol became a wholly-owned subsidiary of PSB.

**A17.2 Dividend paid**

The following dividend was paid after the period reported

Interim dividend for the financial year ended	30 June 2015
Approved and declared on	16 February 2015
Date paid	14 May 2015
Number of ordinary shares on which dividends were paid (‘000)	184,207
Dividend per shares (single-tier)	4.0 sen
Net dividend paid (RM’000)	7,368
New shares issued for DRP (‘000)	1,586
Rate per share for DRP	438 sen
Cash dividend paid (RM’000)	419

**A17.3 Contract Awarded**

Diamond Power Limited (“**DPL**”), a 60% owned sub-subsiary of PESTECH International Berhad had on 8 April 2015 completed the execution of all agreements in relation to the rights of the development of 230kV Kampong Chan – Kratie Transmission System Project on a Built-Operate-Transfer basis.

With the complete execution of Implementation Agreement (“**IA**”) and Power Transmission Agreement (“**PTA**”) Novation Agreement, DPL has now procured all the necessary legal documentations, which signify the full and effective ownership of the Project.

The Project has commenced on 8 April 2015 and is to be completed by 30 November 2017 (“**Scheduled Commercial Operation Date**”). The duration and validity of the PTA and IA shall continue for a period of twenty five (25) years from the Scheduled Commercial Operation Date.

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

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
Secured:		
Finance lease liabilities of subsidiaries	4,669	2,580
Loan and borrowings of subsidiaries	96,071	64,086
Unsecured:		
Suppliers of a subsidiary	-	67

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to banks, financial institutions and suppliers 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.

**A18. Contingent Assets and Liabilities (Cont’d)**

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

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
Bank guarantees given to customers / suppliers and potential customers are for:		
Advance payment bonds	19,092	13,503
Performance bonds	56,659	54,081
Tender bonds	5,321	1,511
	<b>81,072</b>	<b>69,095</b>

**PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A19. Capital Commitments**

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

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
Amount authorised but not contracted for	-	-

**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:-

	<b>Unaudited As At 31 Mar 2015 RM’000</b>	<b>Audited As At 31 Dec 2013 RM’000</b>
Related companies by virtue of common shareholders:		
Purchased of material and services rendered	21,197	14,703

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 favorable to the related parties and are not detrimental to the minority shareholders of the Company.

**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 RM73.3 million and profit after taxation of RM7.7 million for the financial quarter under review. Revenue contributed by Projects and Products accounted for RM65.8 million or 89.8% and RM7.5 million or 10.2% respectively.

The group recorded a gross profit margin of 23.7% for the financial period ended 31 March 2015.

**B2. Profit before taxation**

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

	<b>Current year quarter</b>	<b>Preceding year corresponding quarter</b>	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	29	N/A	72	N/A
Interest expenses	(1,352)	N/A	(5,335)	N/A
Gain / (Loss) on foreign exchange:				
- Realised	255	N/A	339	N/A
- Unrealised	104	N/A	224	N/A
Gain on disposal of property, plant and equipment	-	N/A	13	N/A
Depreciation of property, plant and equipment	(886)	N/A	(3,897)	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.

**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**

As the company financial year end has been changed from 31 December to 30 June to cover the eighteen (18) months period from 1 January 2014 to 30 June 2015 and thereafter, to end at 30 June each year. Accordingly, there are no comparative figures following the change of financial year end. The comparative figures would only be available from the first quarter of the financial year ending 30 June 2016.

**B4. Prospects**

We close the first quarter of 2015 as our fifth quarter of financial year 2014/15. As of March 2015, the group procured new contract from N.U.R. Distribution Sdn Bhd (NUR) and a first indoor substation for Sarawak Energy Berhad in Kuching. On the new business segment, the group has also completed delivering two power system control system upgrades for our customer whereby making a name for our presence in the power plant control system business. The recently announced 25-year transmission system concession in Cambodia establish the group as an Independent Power Transmitter, which will propel its growth into a recurring form of business in building and operating electric infrastructure for utilities in the region.

By March 2015, the group has also completed the procurement of rail electrification machineries and has establish a working partner relationship with international rail electrification service provider. This is to position PESTECH as a rail electrification system integrator including control and communication in the field to serve the growing demand of rail transportation system modernisation for the Nation and in the region. This will also help PESTECH, being a local company, to gain the necessary and crucial technical know how in the Group's quest to build an all-inclusive power industry in Malaysia.

In line with the Government's National Land Public Transport Framework to set out the vision and direction for land public transport in Malaysia, various rail electrification projects would be planned for implementation. In view of this, the Group continuously enhance ourselves with the necessary know how and capability to participate and undertake the prospects that would be available in this segment of the market in the future.

The key driver for growth in the Asia Pacific ("APAC") region depends critically on the state of its power infrastructure development. Gapping demand from countries in the APAC region covering both social and industrial demands will result in higher infrastructure spending in the region. As such, PESTECH is committed in fostering its market presence in Malaysia, Cambodia and Laos whilst exercise greater effort in penetrating new markets such as the Philippines and Indonesia.

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

On 18 May 2012, the Company completed the issuance of new shares pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad as detailed below.

**Utilization of proceeds**

The actual utilization of proceeds as at 31 March 2015 was as follows:-

<b>Purpose of the utilisation</b>	<b>Estimated time frame for Utilization from date of Listing</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilization as at 31 Mar 2015 RM'000</b>	<b>Deviation RM'000</b>
Repayment of bank borrowings	12 months	6,000	6,000	-
Product development and market / business expansion	36 months	1,800	1,754	46
Working capital	12 months	2,580	2,650	(70)
Estimated listing expenses	3 months	2,500	2,430	70
<b>Total</b>		<b>12,880</b>	<b>12,834</b>	<b>46</b>

**B7. Material litigation**

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

**B8. Proposed dividend**

No interim dividends have been declared during the current financial quarter under review.

**B9. Auditors' report**

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 31 December 2013.

**B10. Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors on 27 May 2015.