

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30-Sep-20 RM'000	Preceding year corresponding quarter 30-Sep-19 RM'000	Current period 30-Sep-20 RM'000	Preceding year corresponding period 30-Sep-19 RM'000
Revenue	248,842	187,360	248,842	187,360
Operating expenses	(208,947)	(161,787)	(208,947)	(161,787)
Other operating income	301	43	301	43
Other (losses) and gains	(3,026)	103	(3,026)	103
Operating profit	37,170	25,719	37,170	25,719
Share of profit of equity-accounted associate	34	-	34	-
<b>Profit before interest and tax</b>	<b>37,204</b>	<b>25,719</b>	<b>37,204</b>	<b>25,719</b>
Finance income	11,371	10,982	11,371	10,982
Finance costs	(14,815)	(12,753)	(14,815)	(12,753)
<b>Profit before tax</b>	<b>33,760</b>	<b>23,948</b>	<b>33,760</b>	<b>23,948</b>
Income tax expense	(8,732)	(3,706)	(8,732)	(3,706)
<b>Profit for the period</b>	<b>25,028</b>	<b>20,242</b>	<b>25,028</b>	<b>20,242</b>
<b>Other comprehensive expenses:</b>				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	(12,048)	(2,734)	(12,048)	(2,734)
- Fair value gain/(loss) on cash flow hedge	1,569	(5,216)	1,569	(5,216)
<b>Total comprehensive income for the period</b>	<b>14,549</b>	<b>12,292</b>	<b>14,549</b>	<b>12,292</b>
Profit for the period attributable to:				
Owners of the Company	15,061	19,320	15,061	19,320
Non-controlling interests	9,967	922	9,967	922
	25,028	20,242	25,028	20,242
Total comprehensive income attributable to:				
Owners of the Company	7,699	9,209	7,699	9,209
Non-controlling interests	6,850	3,083	6,850	3,083
	14,549	12,292	14,549	12,292
EBITDA	41,489	29,257	41,489	29,257
Earnings per share				
- Basic (Sen)	1.97	2.53	1.97	2.53

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2020**

	Note	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		140,232	144,941
Intangible assets		80,248	83,923
Investment in an associated company		671	637
Derivative financial instruments		2,538	-
Contract assets	<b>A13</b>	1,002,804	1,054,644
<b>Total non-current assets</b>		<b>1,226,493</b>	<b>1,284,145</b>
<b>Current assets</b>			
Contract assets	<b>A13</b>	838,330	775,449
Inventories		28,941	35,678
Trade receivables	<b>A14</b>	236,689	170,528
Other receivables, deposits and prepayments		52,326	73,249
Tax recoverable		14,653	15,148
Fixed deposits with licensed institutions		9,131	7,881
Cash and bank balances		72,293	90,503
<b>Total current assets</b>		<b>1,252,363</b>	<b>1,168,436</b>
<b>Total assets</b>		<b>2,478,856</b>	<b>2,452,581</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2020 (CONT'D)**

	Note	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		212,672	212,672
Treasury shares		(1,751)	(918)
Reserves		(57,590)	(50,228)
Retained earnings		377,126	354,154
		530,457	515,680
Non-controlling interests		101,592	90,451
<b>Total equity</b>		<b>632,049</b>	<b>606,131</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Derivative financial liabilities		38,268	42,386
Lease liabilities	A16	2,595	4,345
Loans and borrowings	A16	706,785	689,586
Deferred tax liabilities		2,525	2,274
Trade payables		24,934	25,308
<b>Total non-current liabilities</b>		<b>775,107</b>	<b>763,899</b>
<b>Current liabilities</b>			
Contract liabilities	A13	-	6,752
Trade payables		541,355	524,239
Other payables and accruals		26,695	21,732
Amount due to an associated company		187	246
Lease liabilities	A16	4,271	3,059
Loans and borrowings	A16	478,418	510,850
Tax payable		20,774	15,673
<b>Total current liabilities</b>		<b>1,071,700</b>	<b>1,082,551</b>
<b>Total liabilities</b>		<b>1,846,807</b>	<b>1,846,450</b>
<b>Total equity and liabilities</b>		<b>2,478,856</b>	<b>2,452,581</b>
<b>Net assets per share (Sen)</b>		<b>82.83</b>	<b>79.31</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2020.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable					
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000			
<b>At 1 July 2020</b>	212,672	(918)	(33,825)	8,200	8,534	(33,137)	354,154	515,680	90,451	606,131
Profit for the financial period	-	-	-	-	-	-	15,061	15,061	9,967	25,028
Other comprehensive expenses for the financial period	-	-	1,276	(8,598)	-	(40)	-	(7,362)	(3,117)	(10,479)
Total comprehensive income for the financial period	-	-	1,276	(8,598)	-	(40)	15,061	7,699	6,850	14,549
<b>Transaction with owners:</b>										
Treasury shares acquired	-	(833)	-	-	-	-	-	(833)	-	(833)
Gain arising from dilution of equity interest in a subsidiary	-	-	-	-	-	-	7,911	7,911	4,291	12,202
<b>At 30 September 2020</b>	212,672	(1,751)	(32,549)	(398)	8,534	(33,177)	377,126	530,457	101,592	632,049

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020  
(CONT'D)**

	← Attributable to owners of the Company →							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	← Non-distributable →				Distributable					
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000			
<b>At 1 July 2019</b>	212,672	-	(7,528)	(1,652)	8,534	(33,137)	302,703	481,592	79,297	560,889
Profit for the financial period	-	-	-	-	-	-	19,320	19,320	922	20,242
Other comprehensive income for the financial period	-	-	(5,216)	(4,895)	-	-	-	(10,111)	2,161	(7,950)
Total comprehensive income for the financial period	-	-	(5,216)	(4,895)	-	-	19,320	9,209	3,083	12,292
<b>At 30 September 2019</b>	212,672	-	(12,744)	(6,547)	8,534	(33,137)	322,023	490,801	82,380	573,181

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	3-months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	33,760	23,948
Adjustments for:		
Amortisation of intangible assets	1,424	1,252
Amortisation of unwinding discount of financial liability	1,512	1,040
Depreciation of property, plant and equipment	2,861	2,286
Fair value (gain)/loss on derivative financial instruments	(4,087)	3,777
Gain on disposal of property, plant and equipment	(10)	-
Interest expense	13,303	11,713
Interest income	(75)	(173)
Finance income arising from concession assets	(11,296)	(10,811)
Share of profit of equity-accounted associate	(34)	-
Unrealised loss/(gain) on foreign exchange	7,106	(4,235)
Operating profit before working capital changes	44,464	28,797
Changes in working capital:		
Inventories	6,738	(11,894)
Receivables	(45,295)	21,894
Payables	21,706	(9,798)
Contract customers	(52,427)	(83,224)
Cash used in operations	(24,814)	(54,225)
Interest received	75	173
Interest paid	(13,303)	(11,713)
Tax refunded	816	-
Tax paid	(3,702)	(5,117)
Net cash used in operating activities	(40,928)	(70,882)
<b>INVESTING ACTIVITIES</b>		
Proceeds from utilisation of derivative financial instruments	1,548	-
Purchase of property, plant and equipment*	(233)	(11,477)
Proceeds from additional shares issuance in a subsidiary	12,202	-
Net cash generated from/(used in) investing activities	13,517	(11,477)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (CONT'D)**

	3-months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000
<b>FINANCING ACTIVITIES</b>		
Treasury shares acquired	(833)	-
Drawdown from borrowings	143,326	98,850
Repayment of borrowings	(122,780)	(121,487)
Net cash generated from/(used in) financing activities	19,713	(22,637)
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(7,698)	(104,996)
Cash and cash equivalents at beginning of the period	54,027	147,820
Effect of foreign exchange translation	5,834	13
Cash and cash equivalents at end of the period	52,163	42,837
<b>Represented by:</b>		
Cash and bank balances	72,293	63,188
Fixed deposits with licensed financial institutions	9,131	2,842
Bank overdrafts	(29,261)	(23,193)
	52,163	42,837
Less: Bank balance pledged to financial institutions	(9,101)	(2,812)
	43,062	40,025
<b>Purchase of Property, plant and equipment</b>		
	30-Sep-20 RM'000	30-Sep-19 RM'000
Aggregate cost of property, plant and equipment acquired	233	11,477
Financed via lease liabilities arrangements	-	461
Total cash acquisition	233	11,938

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2020.

## 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 financial statements presented in Annual Report for the financial year ended 30 June 2020.

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 associates since the financial year ended 30 June 2020.

The accounting policies and methods of computation adopted by the Group in this condensed financial report are consistent with those adopted in the most recent annual financial report for the year ended 30 June 2020, except for the adoption of the following:

#### Standards issued but not yet effective

The Group has not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Company, its subsidiaries and associates:

##### Effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 7, 9 and 139#	Investment Rate Benchmark Reform
Amendments to References to Conceptual Framework on MFRS Standards	

##### Effective for financial periods beginning on or after 1 June 2020:

Amendment to MFRS 16	Covid-19-Related Rent Concessions
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##### Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020 (MFRS 1, 9, 16 and 141*#)	

##### Effective for financial periods beginning on or after 1 January 2023:

MFRS 17 and amendments to MFRS 17#	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current



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

## **A1. Accounting policies and basis of preparation (Cont'd)**

### Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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# Not applicable to the Group's operations

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements.

## **A2. Seasonal or cyclical factors**

The Group's operations are not subject to seasonal or cyclical factors.

## **A3. Items of unusual nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter ended 30 September 2020.

## **A4. Material changes in estimates**

There were no changes in estimates of amounts reported in previous financial year that have had a material effect for the current financial quarter ended 30 September 2020.

## **A5. Changes in debt and equity securities**

### Share Buyback

During the quarter under review, the Company purchased a total of 668,200 ordinary shares from the open market. As at 30 September 2020, the total treasury shares stood at 2,269,200 at cost of RM1.75 million or RM0.77 per share.

## **A6. Dividends paid**

There were no dividends paid during the current financial quarter ended 30 September 2020.

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

## **A7. Changes in composition of the Group**

On 27 July 2020, PESTECH Sdn. Bhd., a wholly-owned subsidiary of the Company, has transferred its 100% equity interest in Fornix Sdn. Bhd., to the Company together with its subsidiary, Forward Metal Works Sdn. Bhd.

On 12 August 2020, the wholly-owned subsidiary, PESTECH (Cambodia) Plc ("PCL") completed its initial public offering exercise and listed its shares to be traded on the main market of the Cambodia Securities Exchange. Upon the completion of the listing, the equity interest in PCL was diluted from 100% to 94.74%.

## **A8. Valuation of property, plant and equipment**

There were no valuation of property, plant and equipment for the current financial quarter ended 30 September 2020.

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

## A9. Segmental information

The Group is organised into business units based on their products and services, which comprises the following:

	← Results for the quarter ended 30 September 2020 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External	-	246,238	2,604	-	248,842
Inter-segment	1,270	74,714	3,108	(79,092)	-
<b>Total revenue</b>	<b>1,270</b>	<b>320,952</b>	<b>5,712</b>	<b>(79,092)</b>	<b>248,842</b>
Finance income	-	11,371	-	-	11,371
Finance costs	(691)	(13,971)	(153)	-	(14,815)
<b>Net finance expenses</b>	<b>(691)</b>	<b>(2,600)</b>	<b>(153)</b>	<b>-</b>	<b>(3,444)</b>
Segment profit/ (loss) before tax	(2,089)	44,469	(1,064)	(7,556)	33,760
Segment profit/ (loss) after tax	(2,089)	35,747	(1,064)	(7,566)	25,028

	← Results for the quarter ended 30 September 2019 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External	-	185,609	1,751	-	187,360
Inter-segment	2,458	53,219	10,287	(65,964)	-
<b>Total revenue</b>	<b>2,458</b>	<b>238,828</b>	<b>12,038</b>	<b>(65,964)</b>	<b>187,360</b>
Finance income	-	10,982	-	-	10,982
Finance costs	-	(12,704)	(49)	-	(12,753)
<b>Net finance expenses</b>	<b>-</b>	<b>(1,722)</b>	<b>(49)</b>	<b>-</b>	<b>(1,771)</b>
Segment profit/ (loss) before tax	(707)	27,634	62	(3,041)	23,948
Segment profit/ (loss) after tax	(757)	23,978	62	(3,041)	20,242

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

**A9. Segmental information (Cont'd)**

The Group is organised into business units based on their products and services, which comprises the following (Cont'd):

	← Results for the period ended 30 September 2020 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External	-	246,238	2,604	-	248,842
Inter-segment	1,270	74,714	3,108	(79,092)	-
Total revenue	1,270	320,952	5,712	(79,092)	248,842
Finance income	-	11,371	-	-	11,371
Finance costs	(691)	(13,971)	(153)	-	(14,815)
<b>Net finance expenses</b>	(691)	(2,600)	(153)	-	(3,444)
Segment profit/ (loss) before tax	(2,089)	44,469	(1,064)	(7,556)	33,760
Segment profit/ (loss) after tax	(2,089)	35,747	(1,064)	(7,566)	25,028
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External	-	185,609	1,751	-	187,360
Inter-segment	2,458	53,219	10,287	(65,964)	-
Total revenue	2,458	238,828	12,038	(65,964)	187,360
Finance income	-	10,982	-	-	10,982
Finance costs	-	(12,704)	(49)	-	(12,753)
<b>Net finance expenses</b>	-	(1,722)	(49)	-	(1,771)
Segment profit/ (loss) before tax	(707)	27,634	62	(3,041)	23,948
Segment profit/ (loss) after tax	(757)	23,978	62	(3,041)	20,242

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

## A10. Income tax expense

	<b>Current year quarter 30-Sep-20 RM'000</b>	<b>Preceding year corresponding quarter 30-Sep-19 RM'000</b>	<b>Current period 30-Sep-20 RM'000</b>	<b>Preceding year corresponding quarter 30-Sep-19 RM'000</b>
Tax expenses	(8,732)	(3,706)	(8,732)	(3,706)

Income tax is calculated at Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial period.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

## A11. Earnings per share

### A11.1. Basic earnings per share

The calculation of basic earnings per share for the financial period/year is based on the net profit attributable to owners of the Company and divided by the weighted average number of ordinary shares outstanding during the financial period.

	<b>Current year quarter 30-Sep-20</b>	<b>Preceding year corresponding quarter 30-Sep-19</b>	<b>Current period 30-Sep-20</b>	<b>Preceding year corresponding quarter 30-Sep-19</b>
Profit attributable to owners of the Company (RM'000)	15,061	19,320	15,061	19,320
Weighted average number of ordinary shares outstanding ('000)	763,032	764,294	763,032	764,294
<b>Basic earnings per share (Sen)</b>	<b>1.97</b>	<b>2.53</b>	<b>1.97</b>	<b>2.53</b>

### A11.2. 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.

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

## A12. Property, plant and equipment

During the current financial quarter ended 30 September 2020, the Group acquired assets at a cost of RM233,000.

## A13. Contract assets

	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
<b>Contract assets</b>		
Contract assets from a customer on concession arrangement	533,554	545,826
Contract assets from customers on construction contracts	1,307,580	1,284,267
	1,841,134	1,830,093
Presented by:		
Non-current	1,002,804	1,054,644
Current	838,330	775,449
	1,841,134	1,830,093
<b>Contract liabilities</b>		
Contract liabilities from customers on construction contracts	-	6,752

## A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
Trade receivables	114,804	69,716
Retention sums on contracts	121,885	100,812
	236,689	170,528

**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 Consolidated Statement of Cash Flows, cash and cash equivalents comprising the following:

	Unaudited as at 30-Sep-20 RM'000	Unaudited as at 30-Sep-19 RM'000
Cash and bank balances	72,293	63,183
Short-term deposits with licensed institutions	9,131	2,842
Bank overdrafts	(29,261)	(23,188)
	<b>52,163</b>	<b>42,837</b>

## A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
<b>Non-current liabilities</b>		
Secured:		
Lease liabilities	2,595	4,345
Term loans	706,785	689,586
	<b>709,380</b>	<b>693,931</b>
<b>Current liabilities</b>		
Secured:		
Lease liabilities	4,271	3,059
Term loans	65,028	63,697
Bank overdrafts	29,261	44,356
Banker acceptances	12,485	97,310
Trust receipts	186,937	134,836
Revolving credit	184,707	170,651
	<b>482,689</b>	<b>513,909</b>
	<b>1,192,069</b>	<b>1,207,840</b>

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

	Unaudited as at 30-Sep-20 RM'000	Audited as at 30-Jun-20 RM'000
Ringgit Malaysia	466,179	436,439
United States Dollar	719,171	769,213
China Yuan Renminbi	6,591	-
Euro	128	2,188
	<b>1,192,069</b>	<b>1,207,840</b>

**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**

On 8 October and 30 October 2020, the Group announced that the Board has approved the declaration of special dividend of RM0.005 per ordinary share in respect of the financial year ending 30 June 2021.

On 16 October 2020, the Company completed the first tranche of issuance with a nominal value of RM37.1 million under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 3 years with an initial periodic distribution rate of 6.0% per annum.

**A18. Financial guarantees**

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

	<b>Unaudited as at 30-Sep-20 RM'000</b>	<b>Audited as at 30-Jun-20 RM'000</b>
Secured outstanding as at:		
Lease liabilities of the Group	5,549	5,866
Loan and borrowings of subsidiaries	1,186,520	1,201,974

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 is 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.

**A19. Capital commitments**

The outstanding capital commitments at the end of the financial year were as follows:

	<b>Unaudited as at 30-Sep-20 RM'000</b>	<b>Audited as at 30-Jun-20 RM'000</b>
Acquisition of a subsidiary	14,960	15,417



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

**A20. Significant related party transactions**

The Group had the following transactions during the financial year under review with related parties in which certain directors and key senior management of the Company have substantial financial interest:

	<b>Unaudited as at 30-Sep-20 RM'000</b>	<b>Audited as at 30-Jun-20 RM'000</b>
Related companies by virtue of common directors and key senior management:		
Purchased of material and services rendered	2,494	16,687

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B1. Review of performance****(a) Performance of the current quarter against the same quarter in the preceding year**

	<b>Current year quarter 30-Sep-20 RM'000</b>	<b>Preceding year corresponding quarter 30-Sep-19 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	248,842	187,360	61,482	33%
Profit before tax ("PBT")	33,760	23,948	9,812	41%
Profit after tax ("PAT")	25,028	20,242	4,786	24%

The Group registered a revenue of RM248.8 million for current quarter under review as compared to RM187.4 million for the preceding year corresponding quarter. The Group revenue reflects the stage of projects completion during the quarter under review.

During the current financial quarter, revenue for Project segment was recorded at RM246.2 million as compared to RM185.6 million in the preceding year corresponding financial quarter. The performance was in line with the planned progress of on-going transmission, distribution and rail electrification projects. As of 30 September 2020, our order book balance stood at RM1.5 billion, which will be realised progressively over the contract periods.

The Group recorded profit before tax of RM33.8 million as compared to RM23.9 million for the preceding year corresponding quarter. The PBT margin for the quarter under review was 14% which is higher as compared to the PBT margin for the preceding year corresponding quarter of 13%.

The Group recorded profit after tax of RM25.0 million as compared to RM20.2 million for the preceding year corresponding quarter. The PAT margin for the quarter under review was 10% as compared to the PAT margin for the preceding year corresponding quarter of 11%.

The increase in profit for the quarter under review is the normalisation and catching up of the project execution in various country post covid lockdown period especially for our operation in Malaysia. This is reflected in the increase in revenue recognition during the period under review. Our new concession in Cambodia also starting to progress which explained the increase in the profit attributable to Non-controlling interest during the period. However, this new concession will contribute positively to the Group with integrated profit from both the construction and concession aspects.

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B1. Review of performance (Cont'd)****(b) Performance of the current quarter against the immediate preceding quarter**

	<b>Current year quarter 30-Sep-20 RM'000</b>	<b>Immediate preceding quarter 30-Jun-20 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	248,842	200,264	48,578	24%
Profit before tax ("PBT")	33,760	25,708	8,052	31%
Profit after tax ("PAT")	25,028	21,261	3,767	18%

The Group recorded revenue of RM248.8 million for current quarter under review as compared to RM200.3 million for the immediate preceding quarter.

Profit before tax for the current quarter under review was recorded at RM33.8 million as compared to RM25.7 million for the immediate preceding quarter. The PBT margin for the quarter under review and immediate preceding quarter were 14% and 13% respectively.

The Group recorded profit after tax of RM25.0 million as compared to RM21.3 million for the immediate preceding quarter. The PAT margin for the quarter under review and immediate preceding quarter were 10% and 11% respectively.

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

## B2. Profit before tax

Included in the profit before tax are the following items:

	Current year quarter 30-Sep-20 RM'000	Preceding year corresponding quarter 30-Sep-19 RM'000	Current period 30-Sep-20 RM'000	Preceding year corresponding quarter 30-Sep-19 RM'000
Amortisation of intangible assets	1,424	1,252	1,424	1,252
Amortisation of unwinding discount of financial liability	1,512	1,040	1,512	1,040
Depreciation of property, plant and equipment	2,861	2,286	2,861	2,286
Fair value (gain)/loss on derivative financial instruments	(4,087)	3,777	(4,087)	3,777
Gain on disposal of property, plant and equipment	(10)	-	(10)	-
Interest expense	13,303	11,713	13,303	11,713
Interest income	(75)	(173)	(75)	(173)
Finance income arising from concession assets	(11,296)	(10,810)	(11,296)	(10,810)
Unrealised loss/(gain) on foreign exchange	7,106	(4,235)	7,106	(4,235)

## B3. Prospects

The Group continues to actively explore opportunities for power infrastructure prospects around the region, amidst the global impact of COVID-19 pandemic.

We see increasing potentials in Cambodia, Malaysia, Myanmar, and the Philippines for renewable, and sustainable energy development, including large scale solar photovoltaic and industrial rooftop projects, green storage solutions, and energy efficiency solutions.

In the process of building power assets for the nations, we are not forgetting the less privileged community, where national grid system does not reach their areas. For such regions, PESTECH is stepping up the effort on proposing sustainable and green offgrid distributed power supply solutions, where reliable and long term cost effective source of power can be established to serve these less fortunate community, to help improve their living standards, and promote commercial activities at the same time.

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

**B3. Prospects (Continued)**

As such, efforts will be put in to engage more in-depth in these countries where we are already having established presence, building the PESTECH name in the power infrastructure sector locally with the aim to serve the region.

**B4. Profit forecast and profit guarantee**

There were no profit forecasts or profit guarantees in any public document by the Group.

**B5. Material litigation**

There were no material litigations as at the date of issuance of this quarterly report.

**B6. Dividends**

There were no dividends declared during the current financial quarter under review.

**B7. Auditors' report**

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 30 June 2020.

**B8. Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors.