

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2021 RM'000	Preceding year corresponding quarter 31 Dec 2020 RM'000	Current period 31 Dec 2021 RM'000	Preceding year corresponding period 31 Dec 2020 RM'000
Revenue	182,535	178,563	390,348	427,405
Operating expenses	(163,857)	(150,211)	(347,813)	(359,158)
Other operating income	1,004	269	1,264	570
Other losses	(2,171)	(8,838)	(1,746)	(11,864)
Operating profit	17,511	19,783	42,053	56,953
Share of profit of equity-accounted associate	263	337	203	371
Profit before interest and tax	17,774	20,120	42,256	57,324
Finance income	14,429	11,533	28,619	22,904
Finance costs	(17,817)	(14,465)	(31,853)	(29,280)
Profit before tax	14,386	17,188	39,022	50,948
Tax income/(expense)	1,367	(543)	(1,645)	(9,275)
Profit for the period	15,753	16,645	37,377	41,673
Other comprehensive income/(expense):				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	3,821	(17,140)	7,995	(29,188)
- Fair value gain on cash flow hedge	16	2,893	2,896	4,462
Total comprehensive income for the period	19,590	2,398	48,268	16,947
Profit for the period attributable to:				
Owners of the Company	9,098	8,064	20,967	23,125
Non-controlling interests	6,655	8,581	16,410	18,548
	15,753	16,645	37,377	41,673
Total comprehensive income attributable to:				
Owners of the Company	13,926	(1,769)	30,750	5,930
Non-controlling interests	5,664	4,167	17,518	11,017
	19,590	2,398	48,268	16,947

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2021 RM'000	Preceding year corresponding quarter 31 Dec 2020 RM'000	Current period 31 Dec 2021 RM'000	Preceding year corresponding period 31 Dec 2020 RM'000
EBITDA	21,653	24,093	50,416	65,582
Earnings per share				
- Basic (Sen)*	0.96	0.85	2.20	2.43
- Diluted (Sen)	0.95	0.85	2.20	2.43

* For comparative purpose, the earnings per share for the quarter and the preceding year to date ended 31 December 2021 had been adjusted to reflect the bonus issue of 8 for every 2 existing ordinary share which was completed on 21 December 2021.

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2021**

	Note	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		220,705	201,133
Intangible assets		90,748	92,592
Investment in associates		1,089	886
Contract assets	A13	937,566	956,577
Total non-current assets		1,250,108	1,251,188
Current assets			
Contract assets	A13	1,032,964	934,641
Inventories		33,496	21,635
Trade receivables	A14	228,425	217,236
Other receivables, deposits and prepayments		55,098	66,161
Amount due from associate		57	150
Tax recoverable		5,141	10,991
Fixed deposits with licensed institutions		30,099	17,890
Cash and bank balances		173,703	184,440
Total current assets		1,558,983	1,453,144
Total assets		2,809,091	2,704,332
EQUITY AND LIABILITIES			
EQUITY			
Share capital		212,672	212,672
Treasury shares		(2,345)	(2,345)
Reserves		(38,283)	(48,066)
Retained earnings		438,781	419,290
		610,825	581,551
Perpetual SUKUK		48,550	48,550
Non-controlling interests		149,022	131,611
Total equity		808,397	761,712

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2021 (CONT'D)**

	Note	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		19,456	27,805
Lease liabilities	A16	10,608	10,964
Loans and borrowings	A16	792,436	757,857
Deferred tax liabilities		3,954	3,573
Trade payables		-	4,045
Total non-current liabilities		826,454	804,244
Current liabilities			
Contract liabilities	A13	1,537	3,089
Trade payables		560,989	524,172
Other payables and accruals		100,767	105,046
Lease liabilities	A16	2,196	2,033
Loans and borrowings	A16	503,034	491,866
Tax payable		5,717	12,170
Total current liabilities		1,174,240	1,138,376
Total liabilities		2,000,694	1,942,620
Total equity and liabilities		2,809,091	2,704,332
Net assets per share (Sen)*		84.96	80.06
Net assets per share attributable to Owners of the Company (Sen)*		64.20	61.12

* For comparative purpose, the net assets per share and net assets per share attributable to Owners of the Company for the quarter and the preceding year to date ended 31 December 2021 had been adjusted to reflect the bonus issue of 8 for every 2 existing ordinary share which was completed on 21 December 2021.

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 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021

	← Attributable to owners of the Company →										
	← Non-distributable					→ Distributable					
	Share capital	Treasury shares	Fair value reserve	Exchange translation reserve	Capital reserve	Merger reserve	Retained earnings	Total	Perpetual SUKUK	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	212,672	(2,345)	(24,033)	570	8,534	(33,137)	419,290	581,551	48,550	131,611	761,712
Profit for the financial period	-	-	-	-	-	-	20,967	20,967	-	16,410	37,377
Other comprehensive income for the financial period	-	-	2,354	7,429	-	-	-	9,783	-	1,108	10,891
Total comprehensive income for the financial period	-	-	2,354	7,429	-	-	20,967	30,750	-	17,518	48,268
Transaction with owners:											
Dividend paid	-	-	-	-	-	-	-	-	-	(107)	(107)
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	(1,476)	(1,476)	-	-	(1,476)
At 31 December 2021	212,672	(2,345)	(21,679)	7,999	8,534	(33,137)	438,781	610,825	48,550	149,022	808,397

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021
(CONT'D)**

	← Attributable to owners of the Company →							Total RM'000	Perpetual SUKUK 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				
At 1 July 2020	212,672	(918)	(33,825)	8,200	8,534	(33,137)	354,154	515,680	-	90,451	606,131
Profit for the financial period	-	-	-	-	-	-	23,125	23,125	-	18,548	41,673
Other comprehensive income for the financial period	-	-	3,359	(20,554)	-	-	-	(17,195)	-	(7,531)	(24,726)
Total comprehensive income for the financial period	-	-	3,359	(20,554)	-	-	23,125	5,930	-	11,017	16,947
Transaction with owners:											
Treasury shares acquired	-	(1,427)	-	-	-	-	-	(1,427)	-	-	(1,427)
Dividend paid	-	-	-	-	-	-	(3,806)	(3,806)	-	-	(3,806)
Issuance of Perpetual SUKUK	-	-	-	-	-	-	-	-	48,550	-	48,550
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	1,204	1,204
Gain arising from dilution of equity interest in a subsidiary	-	-	-	-	-	-	7,912	7,912	-	4,288	12,200
At 31 December 2020	212,672	(2,345)	(30,466)	(12,354)	8,534	(33,137)	381,385	524,289	48,550	106,960	679,799

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 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

	6-months ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	39,022	50,948
Adjustments for:		
Amortisation of intangible assets	2,059	2,592
Amortisation of unwinding discount of financial liability	811	2,980
Depreciation of property, plant and equipment	6,101	5,666
Fair value loss/(gain) on derivative financial instruments	1,895	(1,914)
Gain on disposal of property, plant and equipment	(158)	(10)
Interest expense	31,042	26,300
Interest income	(225)	(400)
Finance income arising from concession assets	(22,337)	(22,504)
Finance income arising from contract assets	(6,057)	-
Share of profit of equity-accounted associate	(203)	(371)
Unrealised loss on foreign exchange	1,955	15,293
Operating profit before working capital changes	53,905	78,580
Changes in working capital:		
Inventories	(15,859)	(34,023)
Receivables	(128)	(7,642)
Payables	23,830	48,640
Contract customers	(46,767)	(61,669)
Associate	93	-
Cash generated from operations	15,074	23,886
Interest received	225	400
Interest paid	(31,042)	(26,300)
Tax refunded	6,548	816
Tax paid	(8,415)	(23,791)
Net cash used in operating activities	(17,610)	(24,989)
INVESTING ACTIVITIES		
Proceeds from utilisation of derivative financial instruments	-	1,728
Proceeds from disposal of property, plant and equipment	158	10
Proceeds from additional shares issuance in a subsidiary	-	13,404
Purchase of property, plant and equipment	(23,807)	(634)
Net cash used in investing activities	(23,649)	14,508

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021 (CONT'D)

	6-months ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000
FINANCING ACTIVITIES		
Dividend paid	-	(3,806)
Dividend paid to non-controlling interests of a subsidiary	(107)	-
Distribution to Perpetual SUKUK-holders	(1,476)	-
Treasury shares acquired	-	(1,427)
Proceeds from issuance of Perpetual SUKUK	-	48,550
Placement of fixed deposits and debt service reserve accounts with licensed institutions	(46,430)	(37,558)
Drawdown from borrowings	490,764	233,013
Repayment of borrowings	(442,609)	(277,744)
Net cash from/(used in) financing activities	142	(38,972)
CASH AND CASH EQUIVALENTS		
Net changes	(41,117)	(49,453)
Cash and cash equivalents at beginning of the period	121,202	54,027
Effect of foreign exchange translation	183	29,312
Cash and cash equivalents at end of the period	80,268	33,886
Represented by:		
Cash and bank balances	173,703	108,099
Fixed deposits with licensed financial institutions	30,099	8,347
Bank overdrafts	(23,606)	(45,002)
	180,196	71,444
Less: Bank balance pledged to financial institutions	(99,928)	(37,558)
	80,268	33,886

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 2021.

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 2021.

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 2021.

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 2021.

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 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 2018-2021 (MFRS 1, 9, 16 and 141)	

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

Amendments to MFRS 4	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17 and amendments to MFRS 17#	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred tax related to Assets and Liabilities arising from a Single Transaction

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)

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

Not applicable to the Group's operations

The initial application of the above standards and amendments 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 31 December 2021.

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 31 December 2021.

A5. Changes in debt and equity securities

As at the quarter ended 31 December 2021, a total of 191,073,299 new ordinary shares were issued pursuant to the Company's Bonus Issue exercise.

Details of the issued and paid up capital of the Company as at 31 December 2021 are as follows:

	No. of shares (‘000)	RM'000
At 1 October 2021	764,294	212,672
Ordinary shares issued pursuant to Bonus Issue	191,073	-
At 31 December 2021	955,367	212,672

Other than the above, there were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter ended 31 December 2021.

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

A6. Dividends paid

There were no dividends paid during the current financial quarter ended 31 December 2021 except for the dividends declared and paid by a subsidiary, PESTECH (Cambodia) PLC to non-controlling interests in respect of the financial year ended 30 June 2021 amounting to RM107,000.

A7. Changes in composition of the Group

On 15 December 2021, PESTECH Transmission Sdn. Bhd., a wholly-owned subsidiary of PESTECH International Berhad, incorporated a 100% owned subsidiary, PESTECH Transmission CDI SARL ("PTCS") with paid up capital of XOF1,000,000, which is equivalent to RM7,273.

PTSC is incorporated in Côte d'Ivoire (Ivory Coast) and PTCS is principally engaged in the supply of complete solutions of engineering and techniques of electrical systems for the design, procurement, construction, installation and commissioning of high voltage (“HV”) and extra high voltage substations ("EHV"), HV and EHV transmission lines as well as underground electrical cable systems for transmission and the distribution of electricity and the trade in proprietary and non-proprietary electrical system components and equipment.

Other than the above, there were no other changes to the composition of the group during the quarter under review.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 31 December 2021.

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 its products and services, which comprises the following:

- (a) Investment - Investment and property holding.
- (b) EPMCC - Engineering, procurement, manufacturing, construction and commissioning of power substations, transmission lines and rail electrifications.
- (c) Product - Provision of design and supply of remote control system and data communication products.

	← Results for the quarter ended 31 December 2021 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	181,391	1,144	-	182,535
Inter-segment	4,503	78,279	11,170	(93,952)	-
Total revenue	4,503	259,670	12,314	(93,952)	182,535
Finance income	3,315	23,150	(21)	(12,015)	14,429
Finance costs	(5,214)	(23,885)	(225)	11,507	(17,817)
Net finance expense	(1,899)	(735)	(246)	(508)	(3,388)
Segment profit/(loss) before tax	(1,720)	17,534	(2,555)	1,127	14,386
Segment profit/(loss) after tax	(1,883)	19,064	(2,555)	1,127	15,753

	← Results for the quarter ended 31 December 2020 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	173,636	4,927	-	178,563
Inter-segment	1,222	52,044	19,995	(73,261)	-
Total revenue	1,222	225,680	24,922	(73,261)	178,563
Finance income	-	11,533	-	-	11,533
Finance costs	67	(14,328)	(204)	-	(14,465)
Net finance income/ (expense)	67	(2,795)	(204)	-	(2,932)
Segment profit/(loss) before tax	(3,608)	14,408	(2,589)	8,977	17,188
Segment profit/(loss) after tax	(3,629)	13,876	(2,589)	8,987	16,645

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 its products and services, which comprises the following (Cont'd):

	← Results for the period ended 31 December 2021 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	388,468	1,880	-	390,348
Inter-segment	9,006	177,663	33,171	(219,840)	-
Total revenue	9,006	566,131	35,051	(219,840)	390,348
Finance income	5,893	41,971	1	(19,246)	28,619
Finance costs	(7,219)	(42,677)	(564)	18,607	(31,853)
Net finance expense	(1,326)	(706)	(563)	(639)	(3,234)
Segment profit/(loss) before tax	(2,215)	47,857	(4,274)	(2,346)	39,022
Segment profit/(loss) after tax	(2,766)	46,763	(4,274)	(2,346)	37,377

	← Results for the period ended 31 December 2020 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	419,874	7,531	-	427,405
Inter-segment	2,492	126,758	23,103	(152,353)	-
Total revenue	2,492	546,632	30,634	(152,353)	427,405
Finance income	-	22,904	-	-	22,904
Finance costs	(624)	(28,299)	(357)	-	(29,280)
Net finance expense	(624)	(5,395)	(357)	-	(6,376)
Segment profit/(loss) before tax	(5,697)	58,877	(3,653)	1,421	50,948
Segment profit/(loss) after tax	(5,718)	49,623	(3,653)	1,421	41,673

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

A10. Tax income/(expense)

	Current year quarter 31 Dec 2021 RM'000	Preceding year corresponding quarter 31 Dec 2020 RM'000	Current Period 31 Dec 2021 RM'000	Preceding year corresponding period 31 Dec 2020 RM'000
Tax income/(expense)	1,367	(543)	(1,645)	(9,275)

Tax is calculated at Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The Group's effective tax rate is lower than the statutory tax rate in current financial period mainly due to the tax exemption obtained by certain overseas subsidiaries.

The tax income in the current year quarter arose from reversal of provision of tax of one of the overseas subsidiary which recently received its tax exemption approval.

A11. Earnings per share

A11.1. Basic earnings per share

The calculation of basic earnings per share for the financial period 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.

	Current year quarter 31 Dec 2021	Preceding year corresponding quarter 31 Dec 2020	Current Period 31 Dec 2021	Preceding year corresponding period 31 Dec 2020
Profit attributable to owners of the Company (RM'000)	9,098	8,064	20,967	23,125
Weighted average number of ordinary shares outstanding ('000)	951,465	952,353	951,465	952,353
Basic earnings per share (Sen)	0.96	0.85	2.20	2.43

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

A11. Earnings per share (Continued)

A11.2. Diluted earnings per share

Diluted earnings per share has been calculated by dividing the Group’s profit after tax attributable to owners of the Company by the weighted average number of shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value.

	Current year quarter 31 Dec 2021	Preceding year corresponding quarter 31 Dec 2020	Current Period 31 Dec 2021	Preceding year corresponding period 31 Dec 2020
Profit attributable to owners of the Company (RM’000)	9,098	8,064	20,967	23,125
Weighted average number of ordinary shares outstanding for basic earnings per ordinary shares (’000)	951,465	952,353	951,465	952,353
Effect of potential exercise of Warrants (’000)	3,309	-	3,309	-
Weighted average number of ordinary shares outstanding (’000)	954,774	952,353	954,774	952,353
Diluted earnings per share (Sen)	0.95	0.85	2.20	2.43

For comparative purpose, the basic and diluted earnings per share for the quarter and the preceding year to date ended 31 December 2021 had been adjusted to reflect the bonus issue of 8 for every 2 existing ordinary share which was completed on 21 December 2021.

A12. Property, plant and equipment

During the current financial period, the Group acquired property, plant and equipment amounting to RM23.8 million, of which RM21.4 million is pertaining to the addition of Bavet project and the remaining is pertaining to the purchase of computers and motor vehicles.

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

A13. Contract assets

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Contract assets		
Contract assets from a customer on concession arrangement	529,725	532,455
Contract assets from customers on construction contracts	1,440,805	1,358,763
	1,970,530	1,891,218
Presented by:		
Non-current	937,566	956,577
Current	1,032,964	934,641
	1,970,530	1,891,218
Contract liabilities		
Contract liabilities from customers on construction contracts	1,537	3,089

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Trade receivables	99,633	97,502
Retention sums on contracts	128,792	119,734
	228,425	217,236

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 31 Dec 2021 RM'000	Unaudited as at 31 Dec 2020 RM'000
Cash and bank balances	173,703	108,099
Short-term deposits with licensed institutions	30,099	8,347
Bank overdrafts	(23,606)	(45,002)
	180,196	71,444

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:

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	10,608	10,964
Term loans	792,436	757,857
	803,044	768,821
Current liabilities		
Secured:		
Lease liabilities	2,196	2,033
Term loans	105,941	98,132
Bank overdrafts	23,606	27,629
Banker acceptances	14,869	39,873
Trust receipts	182,926	146,022
Revolving credit	175,692	180,210
	505,230	493,899
	1,308,274	1,262,720

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

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Ringgit Malaysia	369,205	400,764
United States Dollar	926,519	858,075
Chinese Yuan Renminbi	12,550	-
Euro	-	3,881
	1,308,274	1,262,720

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

A17. Material event subsequent to the end of interim period reported

There was no material event subsequent to the end of the financial period.

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 period were as follows:

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Secured outstanding as at:		
Lease liabilities of the Group	12,804	12,997
Loan and borrowings of subsidiaries	1,274,341	1,199,034

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 period were as follows:

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Approved and contracted for:		
Acquisition of a motor vehicle	2,406	2,406
Acquisition of a land	6,381	6,808

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 period under review with related parties in which certain directors and key senior management of the Company have substantial financial interest:

	Unaudited as at 31 Dec 2021 RM'000	Audited as at 30 June 2021 RM'000
Related parties by virtue of common directors and key senior management:		
Sales	162	-
Purchased of material and services rendered	1,046	10,808

**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**

	Current year quarter 31 Dec 2021 RM'000	Preceding year corresponding quarter 31 Dec 2020 RM'000	Changes	
			RM'000	%
Revenue	182,535	178,563	3,972	2%
Profit before tax ("PBT")	14,386	17,188	(2,802)	-16%
Profit after tax ("PAT")	15,753	16,645	(892)	-5%

The Group registered a revenue of RM182.5 million for current quarter under review as compared to RM178.6 million for the preceding year corresponding quarter. The Group revenue reflects the stage of projects progress during the quarter under review.

The Group recorded profit before tax of RM14.4 million as compared to RM17.2 million for the preceding year corresponding quarter. The PBT margin for the quarter under review and preceding year corresponding quarter were 8% and 10% respectively.

The Group recorded profit after tax of RM15.8 million as compared to RM16.6 million for the preceding year corresponding quarter. The PAT margin for the quarter under review and preceding year corresponding quarter were 9%. The PAT margins are within our expectation.

**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**

	Current year quarter 31 Dec 2021 RM'000	Immediate preceding quarter 30 Sep 2021 RM'000	Changes	
			RM'000	%
Revenue	182,535	207,813	(25,278)	-12%
Profit before tax ("PBT")	14,386	24,635	(10,249)	-42%
Profit after tax ("PAT")	15,753	21,623	(5,870)	-27%

The Group recorded revenue of RM182.5 million for current quarter under review as compared to RM207.8 million for the immediate preceding quarter.

Profit before tax for the current quarter under review was recorded at RM14.4 million as compared to RM24.6 million for the immediate preceding quarter. The PBT margin for the quarter under review and immediate preceding quarter were 8% and 12% respectively.

The Group recorded profit after tax of RM15.8 million as compared to RM21.6 million for the immediate preceding quarter. The PAT margin for the quarter under review and immediate preceding quarter were 9% and 10% respectively. The PAT margins are within our expectation.

**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 31 Dec 2021 RM'000	Preceding year corresponding quarter 31 Dec 2020 RM'000	Current period 31 Dec 2021 RM'000	Preceding year corresponding period 31 Dec 2020 RM'000
Amortisation of intangible assets	846	1,168	2,059	2,592
Amortisation of unwinding discount of financial liability	408	1,468	811	2,980
Depreciation of property, plant and equipment	3,033	2,805	6,101	5,666
Fair value (gain)/loss on derivative financial instruments	(77)	2,173	1,895	(1,914)
Gain on disposal of property, plant and equipment	(158)	-	(158)	(10)
Interest expense	17,409	12,997	31,042	26,300
Interest income	(154)	(325)	(225)	(400)
Finance income arising from concession assets	(11,230)	(11,208)	(22,337)	(22,504)
Finance income arising from contract assets	(3,045)	-	(6,057)	-
Unrealised loss on foreign exchange	3,604	8,187	1,955	15,293

B3. Prospects

PESTECH Group sailed through the first half of financial year 2022 with positive aspiration for sustaining the business activities supported by order book of RM2.0 billion as at 31 December 2021.

Regional prospects remain encouraging with transmission line and substation projects calling for bid regionally. Rail projects, particularly urban rail opportunities, are surfacing in the overseas market such as, Cambodia, the Philippines, and Thailand. PESTECH, armed with the necessary track records and projects references, is ready to participate in these opportunities in our effort to expand our business reach horizontally across the region.

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

B3. Prospects (Continued)

Following our newly set vision of “Energizing Growth Sustainably”, PESTECH also dedicates its resources to help bring power to the less privileged off grid community via our Microgrid solution using solar energy, storage, and hydrogen fuel cell, which completely avoided the employment of fossil fuel.

The Group is also embarking on the initiative to deploy electric vehicle (EV) charging facilities in selected townships, and in collaboration with commercial asset owners, in an effort to promote decarbonization of city through encouraging the adoption of EV for the general public.

We are hopeful that with such initiatives being implemented, the fruit of our labor could be realized as the emphasis on environmental, social, and governance factors in the business and investment communities become increasingly critical sustainable growth globally.

B4. Profit forecast and profit guarantee

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

B5. Corporate Proposal

On 21 December 2021, 191,073,299 Bonus Shares and 95,145,862 Bonus Warrants have been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

On 26 January 2022, the Company had announced that it will undertake the Proposed Private Placement.

On 14 February 2022, the Company announced that Bursa Securities has, vide its letter dated 11 February 2022, resolved to approve the listing of and quotation for up to 105,051,200 new PESTECH Shares to be issued pursuant to the Proposed Private Placement.

The approval granted by Bursa Securities is subject to the following conditions:

- (i) PESTECH and Affin Hwang IB must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement;
- (ii) PESTECH and Affin Hwang IB to inform Bursa Securities upon completion of the Proposed Private Placement; and
- (iii) PESTECH and Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed.

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

B6. Material litigation

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

B7. Dividends

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

B8. Auditors' report

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 30 June 2021.

B9. Authorisation for issue

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