

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	Current period to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000
Revenue	124,085	184,878	124,085	184,878
Cost of sales	(101,709)	(150,381)	(101,709)	(150,381)
Gross profit	22,376	34,497	22,376	34,497
Other income	19,585	10,797	19,585	10,797
Administration expenses	(16,470)	(17,670)	(16,470)	(17,670)
Profit from operations	25,491	27,624	25,491	27,624
Finance costs	(12,896)	(7,154)	(12,896)	(7,154)
Profit before tax	12,595	20,470	12,595	20,470
Income tax expense	(953)	(2,273)	(953)	(2,273)
Profit for the period	11,642	18,197	11,642	18,197
Other comprehensive income/(expense):				
Exchange translation differences	8,312	(4,571)	8,312	(4,571)
Total comprehensive income for the period	19,954	13,626	19,954	13,626
Profit for the period attributable to:				
Owners of the Company	9,950	11,100	9,950	11,100
Non-controlling interests	1,692	7,097	1,692	7,097
	11,642	18,197	11,642	18,197
Total comprehensive income attributable to:				
Owners of the Company	15,659	7,696	15,659	7,696
Non-controlling interests	4,295	5,930	4,295	5,930
	19,954	13,626	19,954	13,626
EBITDA	27,940	28,851	27,940	28,851
Earnings per share				
- Basic (Sen)	1.30	1.45	1.30	1.45

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 2018.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2018**

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,453	83,177
Intangible assets	91,261	90,520
Investment in an associated company	311	309
Derivative financial instruments	5,846	13,474
Concession assets	449,366	435,503
Total non-current assets	631,237	622,983
Current assets		
Amount due from contract customers	690,611	708,639
Concession assets	49,459	49,459
Inventories	34,291	33,882
Trade receivables	156,254	122,391
Other receivables, deposits and prepayments	44,402	33,541
Amount due from related companies	191	81
Tax recoverable	15,065	18,093
Cash and bank balances	40,581	118,608
Total current assets	1,030,854	1,084,694
Total assets	1,662,091	1,707,677

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2018 (CONT'D)**

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	212,672	212,672
Reserves	200,107	244,596
	412,779	457,268
Non-controlling interests	73,357	69,062
Total equity	486,136	526,330
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	2,051	582
Loans and borrowings	390,331	372,428
Deferred tax liabilities	241	241
Total non-current liabilities	392,623	373,251
Current liabilities		
Amount due to contract customers	-	5,827
Trade payables	365,493	392,356
Other payables and accruals	33,620	28,770
Amount due to Directors	-	31
Finance lease liabilities	888	544
Loans and borrowings	368,752	362,605
Tax payable	14,579	17,963
Total current liabilities	783,332	808,096
Total liabilities	1,175,955	1,181,347
Total equity and liabilities	1,662,091	1,707,677
Net assets per share (Sen)	63.61	61.00*

* As at 30 June 2018, net assets per share is restated at RM0.61 with the initial application of new accounting standards, MFRS 15 Revenue from Contracts with Customers

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 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018

	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	Exchange translation reserve RM'000	Merger reserve RM'000	Capital reserve RM'000	Retained earnings RM'000			
As at 1 July 2018	212,672	(10,294)	(33,137)	8,534	279,493	457,268	69,062	526,330
Effect of adoption of MFRS15 (Note A1)	-	-	-	-	(60,148)	(60,148)	-	(60,148)
Profit for the financial period	-	-	-	-	9,950	9,950	1,692	11,642
Other comprehensive income for the financial period	-	5,709	-	-	-	5,709	2,603	8,312
Total comprehensive income for the financial period	-	5,709	-	-	9,950	15,659	4,295	19,954
As at 30 September 2018	212,672	(4,585)	(33,137)	8,534	229,295	412,779	73,357	486,136

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018 (CONT'D)

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	← Non-distributable →		Retained earnings RM'000			
		Exchange translation reserve RM'000	Merger reserve RM'000				
As at 1 July 2017	211,265	(186)	(33,137)	230,057	407,999	56,367	464,366
Profit for the financial period	-	-	-	11,100	11,100	7,097	18,197
Other comprehensive expenses for the financial period	-	(3,404)	-	-	(3,404)	(1,167)	(4,571)
Total comprehensive income for the financial period	-	(3,404)	-	11,100	7,696	5,930	13,626
As at 30 September 2017	211,265	(3,590)	(33,137)	241,157	415,695	62,297	477,992

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 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	3-months ended	
	30-Sep-18 RM'000	30-Sep-17 RM'000
OPERATING ACTIVITIES		
Profit before tax	12,595	20,470
Adjustments for:		
Amortisation of intangible assets	1,201	-
Amortisation of unwinding discount of financial liability	373	373
Depreciation of property, plant and equipment	1,248	1,227
Fair value gain on derivative financial instruments	1,165	5,676
Finance income arising from MFRS15	(2,171)	-
Gain on disposal of property, plant and equipment	(590)	(30)
Interest expense	12,896	7,154
Interest income	(73)	(18)
Interest income arising from concession assets	(10,582)	(10,212)
Unrealised (gain)/loss on foreign exchange	(6,081)	1,101
Operating profit before working capital changes	9,981	25,741
Changes in working capital:		
Inventories	(409)	(11,655)
Receivables	(44,724)	38,341
Payables	(22,140)	56,092
Concession assets	8,612	(21,042)
Contract customers	(39,949)	(99,182)
Cash used in operations	(88,629)	(11,705)
Tax paid	(1,309)	(2,041)
Net cash used in operating activities	(89,938)	(13,746)
INVESTING ACTIVITIES		
Interest received	73	18
Proceeds from disposal of property, plant and equipment	590	30
Purchase of property, plant and equipment*	(214)	(4,321)
Advance to an associated company	(110)	-
Acquisition of intangible assets	(16)	-
Net cash from/(used in) investing activities	323	(4,273)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2018 (CONT'D)

	3-months ended	
	30-Sep-18 RM'000	30-Sep-17 RM'000
FINANCING ACTIVITIES		
Repayment to Directors	(31)	(626)
Interest paid	(12,896)	(7,154)
Drawdown from borrowings	195,867	109,430
Repayment of borrowings	(180,174)	(90,528)
Net cash from financing activities	2,766	11,122
CASH AND CASH EQUIVALENTS		
Net changes	(86,849)	(6,897)
Cash and cash equivalents at beginning of the period	108,859	15,298
Effect of foreign exchange translation	696	(3,118)
Cash and cash equivalents at end of the period	22,706	5,283

During the financial period, the aggregate costs of property, plant and equipment acquired by means of:

	30-Sep-18 RM'000	30-Sep-17 RM'000
Purchase of property, plant and equipment	2,337	4,321
Finance by way of finance lease arrangements	(2,123)	-
Cash payments on purchase of property, plant and equipment	214	4,321

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 2018.

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 2018.

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, associate and jointly-controlled entity since the financial year ended 30 June 2018.

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 30 June 2018, except for the adoption of the following:

New MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018:

MFRS 9	Financial Instruments IFRS 9 Issued by International Accounting Standards Board (“IASB”) in July 2014
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Share-based Payment: Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4*#	Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRS Standards 2014 – 2016 Cycle (except for amendments to MFRS 12 Disclosures of Interests in Other Entities)*	

The application of these MFRSs and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group except as disclosed below:-

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)****MFRS 15: Revenue from Contracts with Customers**

MFRS 15 established a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 superseded previous revenue recognition guidance including *MFRS 118: Revenue*, *MFRS 111: Construction Contracts* and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) as performance obligation is satisfied, i.e when control of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has adopted the new standard on the required effective date using the modified retrospective method and apply all the practical expedients available for the modified restrospective method.

The Group had reassessed the total financial impact on the Group's financial statements upon adoption of MFRS 15 on 1 July 2018 which have been summarised in the table below.

The financial impact from the initial adoption of MFRS 15 as at 1 July 2018 as follows:

	As previously reported RM'000	Retrospective adjustment of MFRS 15 RM'000	After MFRS 15 adjustment RM'000
Statement of financial position			
<u>Assets</u>			
Amount due from contract customers	708,639	(60,148)	648,491
<u>Equity</u>			
Retained earnings	279,493	(60,148)	219,345
Net assets per share (Sen)	68.86	(7.86)	61.00

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)

MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

i) Classification and measurements

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flows characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

ii) Impairment of financial assets

MFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group apply the simplified approach and record lifetime expected losses on the trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimises credit risk by dealing credit rating counterparties and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

For other non-trade receivables, there is no significant impact to the Group's financial statements.

At the date of authorisation of the condensed financial report, the following new MFRSs, amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRS, Amendments to MFRSs and IC Interpretation effective 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9*	Financial Instruments: Prepayment Feature with Negative Compensation
Amendments to MFRS 119	Post-employment Benefits: Defined Benefits Plans
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Long-terms Interest in Associates and Joint Ventures.
IC Interpretation 23*	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle*	

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 and IC Interpretation effective 1 January 2020:

Amendments to References to the Conceptual Framework in MFRS Standards (MFRS 2 ,3 ,6 ,14 ,101 ,108 ,134 ,137 ,138 and IC Interpretation 12, 19, 20, 22 and 132)

MFRS effective 1 January 2021:

MFRS 17*# Insurance Contracts

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.

* Not applicable to the Group’s operations

Not applicable to the Company’s operation

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

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a "right-of-use" asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to increase substantially.

MFRS 16 also:

- Changes the definition of a lease;
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods;
- Changes the accounting for sale and leaseback arrangements;
- Largely retains MFRS 117's approach to lessor accounting; and
- Introduces new disclosure requirements.

The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

A2. Seasonal or cyclical factors

The Group’s operations are not subjected to seasonal or cyclical factors.

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

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 2018.

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 2018.

A5. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter ended 30 September 2018.

A6. Dividends paid

There were no dividends paid during the current financial quarter ended 30 September 2018.

A7. Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter ended 30 September 2018 except for the following:

On 1 August 2018, Enersol Co. Ltd. ("ECL") has ceased to be a wholly-owned subsidiary of Pestech Sdn. Bhd. ("PSB") and is now a direct wholly-owned subsidiary of the Group.

On 1 August 2018, Systemcorp Energy Pte. Ltd. ("SEN") has ceased to be a direct 51%-owned subsidiary of the Group and is now a direct 51%-owned subsidiary of Pestech Energy Sdn. Bhd. ("PEN"). PEN is a wholly-owned subsidiary of the Group.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 September 2018.

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 2018 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	122,661	1,424	-	124,085
Inter-segment	963	14,548	3,821	(19,332)	-
Total revenue	963	137,209	5,245	(19,332)	124,085
Interest income	-	12,826	-	-	12,826
Finance costs	-	(12,819)	(77)	-	(12,896)
Net finance income/ (expenses)	-	7	(77)	-	(70)
Segment profit/ (loss) before tax	1,367	21,806	(894)	(9,684)	12,595
Segment profit/ (loss) after tax	1,351	20,869	(894)	(9,684)	11,642

	← Results for the quarter ended 30 September 2017 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	180,909	3,969	-	184,878
Inter-segment	860	15,693	478	(17,031)	-
Total revenue	860	196,602	4,447	(17,031)	184,878
Interest income	-	10,229	1	-	10,230
Finance costs	-	(7,154)	-	-	(7,154)
Net finance income	-	3,075	1	-	3,076
Segment profit/ (loss) before tax	(1,923)	29,074	315	(6,996)	20,470
Segment profit/ (loss) after tax	(1,923)	26,960	241	(7,081)	18,197

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 2018				Total RM'000
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	
Revenue					
External	-	122,661	1,424	-	124,085
Inter-segment	963	14,548	3,821	(19,332)	-
Total revenue	963	137,209	5,245	(19,332)	124,085
Interest income	-	12,826	-	-	12,826
Finance costs	-	(12,819)	(77)	-	(12,896)
Net finance income/ (expenses)	-	7	(77)	-	(70)
Segment profit/ (loss) before tax	1,367	21,806	(894)	(9,684)	12,595
Segment profit/ (loss) after tax	1,351	20,869	(894)	(9,684)	11,642

	Results for the period ended 30 September 2017				Total RM'000
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	
Revenue					
External	-	180,909	3,969	-	184,878
Inter-segment	860	15,693	478	(17,031)	-
Total revenue	860	196,602	4,447	(17,031)	184,878
Interest income	-	10,229	1	-	10,230
Finance costs	-	(7,154)	-	-	(7,154)
Net finance income	-	3,075	1	-	3,076
Segment profit/ (loss) before tax	(1,923)	29,074	315	(6,996)	20,470
Segment profit/ (loss) after tax	(1,923)	26,960	241	(7,081)	18,197

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

A10. Income tax expense

	Current year quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	Current period to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000
Tax expenses	(953)	(2,273)	(953)	(2,273)

Income tax is calculated at Malaysian statutory tax rate of 24% (2018: 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 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 30-Sep-18	Preceding year corresponding quarter 30-Sep-17	Current period to date 30-Sep-18	Preceding year corresponding period 30-Sep-17
Profit attributable to owners of the Company (RM'000)	9,950	11,100	9,950	11,100
Weighted average number of ordinary shares in issue ('000)	764,294	763,380	764,294	763,380
Basic earnings per share (Sen)	1.30	1.45	1.30	1.45

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

A11. Earnings per share (Cont'd)

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.

A12. Property, plant and equipment

During the current financial quarter ended 30 September 2018, the Group acquired assets at a cost of RM2.3 million.

A13. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
Trade receivables	86,960	64,278
Retention sums on contracts	69,294	58,113
	156,254	122,391

A14. 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-18 RM'000	Unaudited as at 30-Sep-17 RM'000
Cash and bank balances	35,539	18,137
Short-term deposits with licensed institutions	5,042	-
Bank overdrafts	(17,875)	(12,854)
	22,706	5,283

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

A15. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	2,051	582
Term loans	390,331	372,428
	392,382	373,010
Current liabilities		
Secured:		
Finance lease liabilities	888	544
Term loans	27,835	25,954
Bank overdrafts	17,875	9,749
Banker acceptances	33,356	64,488
Trust receipts	197,722	168,477
Revolving credit	87,617	90,670
Foreign currency trade finance	4,347	3,267
	369,640	363,149
	762,022	736,159

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

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
Ringgit Malaysia	319,107	343,631
United States Dollar	435,957	387,785
Euro	6,958	4,743
	762,022	736,159

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

A16. Material event subsequent to the end of financial period reported

On 8 October 2018, an unincorporated consortium was formed between the wholly-owned subsidiary company, PESTECH Technology Sdn. Bhd. ("PTECH") and Ansaldo STS Malaysia Sdn. Bhd., i.e. ANSALDO STS PESTECH CONSORTIUM (“the Consortium”). The Consortium accepted the Letter of Award from Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd., a SIPP-YTL JV (a consortium between SIPP Rail Sdn. Bhd. and Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.) appointing the Consortium as Sub-Contractor for the turnkey engineering, procurement, construction and maintenance contract relating to the signalling systems for the Project (“Works”).

The fixed sub-contract price is RM339,000,000 (Ringgit Malaysia: Three Hundred and Thirty-Nine Million only), includes optional items worth RM19,768,820 (Ringgit Malaysia: Nineteen Million Seven Hundred and Sixty-Eight Thousand and Eight Hundred and Twenty only). The optional items, if exercised, will be allocated between the Consortium parties within the Works’ period.

Pursuant to the Consortium, the total sub-contract price for PTECH’s portion of Works is RM75,000,000 (Ringgit Malaysia: Seventy-Five Million only). This has further built up local participation for the signalling portion of the rail electrification.

A17. Financial guarantees

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

	Unaudited as at 30-Sep-18 RM’000	Audited as at 30-Jun-18 RM’000
Secured outstanding as at:		
Finance lease liabilities of the Group	2,939	1,126
Loan and borrowings of subsidiaries	759,083	735,033

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.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**A18. Capital commitments**

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

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
Amount authorised and contracted for property, plant and equipment	2,193	9,462

A19. Significant related party transactions

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

	Unaudited as at 30-Sep-18 RM'000	Audited as at 30-Jun-18 RM'000
Related companies by virtue of common shareholders: Purchased of material and services rendered	3,863	16,284

**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 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	Changes	
			RM'000	%
Revenue	124,085	184,878	(60,793)	-33%
Profit before tax	12,595	20,470	(7,875)	-38%
Profit after tax	11,642	18,197	(6,555)	-36%

The Group registered a revenue of RM124.1 million for current quarter under review as compared to RM184.9 million for the preceding year corresponding quarter. However, our revenue is not seasonal in nature and is based on stage of completion of projects.

During the current financial quarter, revenue for Project segment was recorded at RM122.7 million as compared to RM180.9 million in the preceding year corresponding financial quarter. The performance was principally derived from its on-going transmission and rail electrification projects. The decrease in revenue in comparison with preceding year corresponding quarter was mainly due to lower progressive construction revenue recognised during that period attributable to the particular stage of development of the projects. As of 30.9.2018, our order book balance stood at RM2.017 billion, which will be realized progressively over the contract period.

The Product segment recorded revenue of RM1.4 million during the current financial quarter as compared to RM4.0 million in preceding year corresponding financial quarter. This was mainly due to the product segment concentration on internal supply for group projects in the current quarter under review.

The Group has recorded profit before tax of RM12.6 million as compared to RM20.4 million for the preceding year corresponding quarter. The PBT margin for the quarter under review was 10% which is slightly lower as compared to the PBT margin for the preceding year corresponding quarter of 11%.

**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 30-Sep-18 RM'000	Immediate preceding quarter 30-Jun-18 RM'000	Changes	
			RM'000	%
Revenue	124,085	119,304	4,781	4%
Profit before tax	12,595	17,616	(5,021)	-29%
Profit after tax	11,642	16,261	(4,619)	-28%

The Group recorded revenue of RM124.1 million for current quarter under review as compared to RM119.3 million for the immediate preceding quarter.

Profit before tax for the current quarter under review is recorded at RM12.6 million as compared to RM17.6 million for the immediate preceding quarter. The profit before tax for current quarter under review are lower despite of higher revenue reported, this was mainly due to higher project financing costs incurred for facilities drawdown towards the end of immediate preceding quarter. In addition, the results of the immediate preceding quarter also included a fair value gain from derivative financial instrument, whereas the group incurred a loss of RM1.17 million in this quarter, recorded as administrative expenses.

The PBT margin for the quarter under review was 10% as compared to the PBT margin of the immediate preceding quarter of 15%.

**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-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	Current period to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000
Amortisation of intangible assets	1,201	-	1,201	-
Amortisation of unwinding discount of financial liability	373	373	373	373
Depreciation of property, plant and equipment	1,248	1,227	1,248	1,227
Fair value gain on derivative financial instruments	1,165	5,676	1,165	5,676
Finance income arising from MFRS15	(2,171)	-	(2,171)	-
Gain on disposal of property, plant and equipment	(590)	(30)	(590)	(30)
Interest expense	12,896	7,154	12,896	7,154
Interest income	(73)	(18)	(73)	(18)
Interest income arising from concession assets	(10,582)	(10,212)	(10,582)	(10,212)
Unrealised (gain)/loss on foreign exchange	(6,081)	1,101	(6,081)	1,101

B3. Prospects

The Group looks to strive further to realize its aim in strengthening its market presence in the rail electrification sector to spear growth.

At the time of this 1st quarterly results announcement, the Group had procured the Gemas - Johor Bahru Southern Double Track (SDT) electrification project with a contract value of RM399 million.

The new SDT backed by the existing ongoing contracts in hand on Klang Valley Double Track 1, Mass Rail Transit 2, and Thailand Red Line project, provide good references for the Group to start exploring other double track and urban rail electrification prospects around the region, particularly in the Philippines and Thailand.

The management is confident that the pace of growth of the Group shall be sustained, and new catalyst for business development shall be explored through multifaceted and progressive expansion within the power infrastructure industry.

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

B4. Profit forecast and profit guarantee

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

B5. Material litigation

There were no material litigation 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 2018.

B8. Status of corporate proposal

The proposed listing of Pestech (Cambodia) PLC, a wholly-owned subsidiary of the Company, is in progress as at the date of issuance of this quarterly report.

B9. Authorisation for issue

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