

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2018**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000 (restated)	Current period 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000 (restated)
Revenue	260,915	170,828	723,753	393,596
Cost of sales	(229,872)	(139,601)	(604,946)	(299,493)
Gross profit	31,043	31,227	118,807	94,103
Other income	16,444	9,020	40,298	11,859
Administration expenses	(20,293)	(8,139)	(60,973)	(24,939)
Profit from operations	27,194	32,108	98,132	81,023
Finance costs	(9,532)	(2,246)	(23,178)	(7,466)
Profit before tax	17,662	29,862	74,954	73,557
Income tax expense	(2,229)	(1,761)	(12,828)	(4,183)
Profit for the period	15,433	28,101	62,126	69,374
Other comprehensive (expense)/income:				
Exchange translation differences	(19,848)	(344)	(35,644)	9,538
Total comprehensive (loss)/ income for the period	(4,415)	27,757	26,482	78,912
Profit for the period attributable to:				
Owners of the Company	9,207	24,136	42,477	49,236
Non-controlling interests	6,226	3,965	19,649	20,138
	15,433	28,101	62,126	69,374
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(4,494)	23,421	16,995	55,445
Non-controlling interests	79	4,336	9,487	23,467
	(4,415)	27,757	26,482	78,912
EBITDA	30,452	33,423	103,827	84,669
Earnings per share				
- Basic (Sen)	1.21	3.23	5.56	6.60

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 2017.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2018**

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	78,850	70,247
Intangible asset	88,225	86,595
Derivative financial instruments	-	4,570
Concession assets	420,177	416,174
Total non-current assets	587,252	577,586
Current assets		
Amount due from contract customers	661,332	342,643
Concession assets	51,719	26,301
Inventories	30,475	39,517
Trade receivables	128,251	95,794
Other receivables, deposits and prepayments	61,289	53,615
Amount due from related companies	39	39
Tax recoverable	13,775	14,465
Cash and bank balances	26,741	22,150
Total current assets	973,621	594,524
Total assets	1,560,873	1,172,110

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

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	212,670	211,265
Reserves	213,729	196,734
	426,399	407,999
Non-controlling interests	65,854	56,367
Total equity	492,253	464,366
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	228	654
Loans and borrowings	273,326	274,362
Trade payables	29,130	31,275
Derivatives financial instruments	19,031	-
Deferred tax liabilities	241	241
Total non-current liabilities	321,956	306,532
Current liabilities		
Amount due to contract customers	-	2,456
Trade payables	383,976	130,746
Other payables and accruals	24,321	27,211
Amount due to Directors	-	626
Finance lease liabilities	1,187	1,267
Loans and borrowings	324,900	231,166
Tax payable	12,280	7,740
Total current liabilities	746,664	401,212
Total liabilities	1,068,620	707,744
Total equity and liabilities	1,560,873	1,172,110
Net assets per share (Sen)	64.41	60.83

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 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2018

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Exchange translation reserve RM'000	Merger reserve RM'000	Retained earnings 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	-	-	-	42,477	42,477	19,649	62,126
Other comprehensive expense for the financial period	-	(25,482)	-	-	(25,482)	(10,162)	(35,644)
Total comprehensive income for the financial period	-	(25,482)	-	42,477	16,995	9,487	26,482
Transactions with owners:							
Issue of share capital	1,405	-	-	-	1,405	-	1,405
As at 31 March 2018	212,670	(25,668)	(33,137)	272,534	426,399	65,854	492,253

*As at 31 March 2018, the share premium recorded at RM20,418,443.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2018 (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	Share premium RM'000	Exchange translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000			
As at 1 July 2016	93,297	89,379	4,979	(33,137)	161,533	316,051	26,097	342,148
Profit for the financial period	-	-	-	-	49,236	49,236	20,138	69,374
Other comprehensive income for the financial period	-	-	6,209	-	-	6,209	3,329	9,538
Total comprehensive income for the financial period	-	-	6,209	-	49,236	55,445	23,467	78,912
Transactions with owners:								
Issue of share capital	93,953	(85,675)	-	-	(3,918)	4,360	-	4,360
Dividend paid	3,595	16,824	-	-	(22,470)	(2,051)	-	(2,051)
As at 31 March 2017	190,845	20,528	11,188	(33,137)	184,381	373,805	49,564	423,369

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 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

	9-months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,954	73,557
Adjustments for:		
Amortisation of intangible assets	2,037	-
Corporate exercise expense	-	3,918
Depreciation of property, plant and equipment	3,658	3,645
Fair value loss on derivative financial instruments	23,601	-
Gain on disposal of property, plant and equipment	(80)	(112)
Interest expense	23,178	7,466
Interest income	(68)	(43)
Interest income arising from concession assets	(37,010)	-
Share grant expenses	1,405	4,360
Unwinding discount of financial liability	1,066	-
Unrealised loss/(gain) on foreign exchange	3,194	(11,320)
Operating profit before working capital changes	95,935	81,471
Changes in working capital:		
Inventories	9,042	9,387
Receivables	(39,379)	12,736
Payables	244,471	167,700
Concession assets	(36,823)	(216,221)
Contract customers	(321,145)	(163,038)
Cash used in operations	(47,899)	(107,965)
Tax paid	(8,289)	(11,242)
Net cash used in operating activities	(56,188)	(119,207)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	68	43
Proceeds from disposal of property, plant and equipment	80	151
Purchase of property, plant and equipment	(12,361)	(23,126)
Acquisition of intangible assets	(12,222)	(1,383)
Net cash used in investing activities	(24,435)	(24,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to Directors	(626)	-
Dividend paid	-	(2,051)
Interest paid	(23,178)	(7,466)
Drawdown from borrowings	408,671	439,462
Repayment of borrowings	(327,133)	(276,338)
Net cash from financing activities	57,734	153,607

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018 (CONT'D)

	9-months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000
CASH AND CASH EQUIVALENTS		
Net changes	(22,889)	10,085
Cash and cash equivalents at beginning of the period	15,298	9,964
Effect of foreign exchange translation	17,927	924
Cash and cash equivalents at end of the period	10,336	20,973

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 2017.

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 2017.

The explanatory notes attached to the condensed financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company, its subsidiaries and jointly-controlled entity since the financial year ended 30 June 2017.

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 2017, except for the adoption of the following amendments to MFRS:

Amendments to MFRS effective for financial periods beginning on or after 1 January 2017:

Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiatives
Amendments to MFRS 112	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above amendments to MFRS does not have material impact on the financial statements of the Group.

New MFRS, Amendments to MFRS and IC Interpretation issued but not yet effective

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

New MFRS, Amendments to MFRS and IC Interpretation effective for financial periods beginning on or after 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
MFRS 15	Revenue from Contracts with Customers: Clarifications to MFRS 15
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

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)

New MFRS, Amendments to MFRS and IC Interpretation effective for financial periods beginning on or after 1 January 2018 (continued):

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)*

MFRS effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 128	Long-terms Interest in Associates and Joint Ventures.
Investments in Associates and	
Joint Ventures	
IC Interpretation 23*	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle	

MFRS effective for financial periods beginning on or after 1 January 2021:

MFRS 17*#	Insurance Contracts
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Amendments to MFRSs (deferred effective date to be announced by the MASB)

Amendments to MFRS 10 and	Sale or Contribution of Assets between an Investor and its Associate
MFRS 128	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 9 Financial Instruments

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group’s investment in unquoted shares will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

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 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Int 13 *Customer Loyalty Programmes*, IC Int 15 *Agreements for Construction of Real Estate*, IC Int 18 *Transfers of Assets from Customers* and IC Int 131 *Revenue – Barter Transaction Involving Advertising Services*. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standards on the required effective date.

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 be different compared with the current position.

The Group and the Company are 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.

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 March 2018.

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

A4. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year that have had a material effect for the current financial quarter ended 31 March 2018.

A5. Changes in debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter ended 31 March 2018.

A6. Dividend paid

There was no dividend paid during the current financial quarter ended 31 March 2018.

A7. Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter ended 31 March 2018 except for the following:

On 14 March 2018, the Ministry of Commerce of Cambodia had approved the transfer of 1,000 shares with par value of USD1 per share in PESTECH (Cambodia) Limited (“PCL”), representing the entire registered capital of PCL, from a wholly-owned subsidiary, PESTECH Sdn. Bhd. (“PSB”) to the Company (“Shares Transfer”).

As announced in the Company's announcement dated 22 December 2017, the Shares Transfer is part of the Proposed Internal Reorganisation to facilitate the Proposed Listing of PCL on the Cambodia Securities Exchange.

As a results, PCL has become a wholly-owned subsidiary of the Company.

A8. Valuation of property, plant and equipment

There is no valuation of property, plant and equipment for the current financial quarter ended 31 March 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 31 March 2018			→
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	255,984	4,931	-	260,915
Inter-segment	591	83,861	1,389	(85,841)	-
Total revenue	591	339,845	6,320	(85,841)	260,915
Interest income	-	15,136	-	-	15,136
Finance costs	-	(9,510)	(22)	-	(9,532)
Net finance income	-	5,626	(22)	-	5,604
Segment profit/ (loss) before tax	(6,604)	114,662	13	(90,409)	17,662
Segment profit/ (loss) after tax	(6,604)	115,674	(19)	(93,618)	15,433

	←	Results for the quarter ended 31 March 2017			→
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	169,103	1,725	-	170,828
Inter-segment	141	22,055	2,303	(24,499)	-
Total revenue	141	191,158	4,028	(24,499)	170,828
Interest income	-	9	-	-	9
Finance costs	-	(2,231)	(15)	-	(2,246)
Net finance income	-	(2,222)	(15)	-	(2,237)
Segment profit/ (loss) before tax	250	36,070	790	(7,248)	29,862
Segment profit/ (loss) after tax	244	35,705	747	(8,595)	28,101

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 31 March 2018			→
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	702,313	21,440	-	723,753
Inter-segment	1,982	147,463	3,222	(152,667)	-
Total revenue	1,982	849,776	24,662	(152,667)	723,753
Interest income	-	37,077	1	-	37,078
Finance costs	-	(23,129)	(49)	-	(23,178)
Net finance income	-	13,948	(48)	-	13,900
Segment profit/ (loss) before tax	(12,581)	233,208	469	(146,142)	74,954
Segment profit/ (loss) after tax	(12,581)	223,621	263	(149,177)	62,126

	←	Results for the period ended 31 March 2017			→
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	388,099	5,497	-	393,596
Inter-segment	957	122,758	3,159	(126,874)	-
Total revenue	957	510,857	8,656	(126,874)	393,596
Interest income	-	43	-	-	43
Finance costs	-	(7,444)	(22)	-	(7,466)
Net finance income	-	(7,401)	(22)	-	(7,423)
Segment profit/ (loss) before tax	(105)	89,333	1,528	(17,199)	73,557
Segment profit/ (loss) after tax	(122)	80,592	1,445	(12,541)	69,374

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

A10. Income tax expense

	Current year quarter ended 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000
Current year tax expenses	(2,229)	(1,761)	(12,828)	(4,183)

Income tax is calculated at Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the 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 ended 31-Mar-18	Preceding year corresponding quarter 31-Mar-17 (restated)	Current year to date 31-Mar-18	Preceding year corresponding period 31-Mar-17 (restated)
Profit attributable to owners of the Company (RM'000)	9,207	24,136	42,477	49,236
Weighted average number of ordinary shares in issue ('000)*	763,604	746,420	763,604	746,420
Basic earnings per share (Sen)	1.21	3.23	5.56	6.60

* The share split and bonus issue were without consideration and therefore the number of ordinary shares arising from share split and bonus issue are treated as if they had occurred before the beginning of 1 July 2016.

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 31 March 2018, the Group acquired assets at a cost of RM4.02 million.

A13. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Trade receivables	75,222	58,991
Retention sums on contracts	53,029	36,803
	128,251	95,794

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 31-Mar-18 RM'000	Preceding year to date 31-Mar-17 RM'000
Cash and bank balances	26,741	27,332
Short-term deposits with licensed institutions	-	71
Bank overdrafts	(16,405)	(6,430)
	10,336	20,973

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 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	228	654
Term loans	273,326	274,362
	273,554	275,016
Current liabilities		
Secured:		
Finance lease liabilities	1,187	1,267
Term loans	36,109	4,768
Bank overdrafts	16,405	6,852
Banker acceptances	43,507	24,736
Trust receipts	133,637	92,766
Revolving credit	95,242	99,509
Foreign currency trade finance	-	2,535
	326,087	232,433
	599,641	507,449

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

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Ringgit Malaysia	329,404	452,234
United States Dollar	270,237	53,230
Euro	-	1,871
Chinese Yuan Renminbi	-	114
	599,641	507,449

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

There was no material event subsequent to the end of the current quarter.

A17. Contingent assets and liabilities

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

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Secured outstanding as at:		
Finance lease liabilities of subsidiaries	1,415	1,921
Loan and borrowings of subsidiaries	598,226	505,528

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**A17. Contingent assets and liabilities (Cont'd)**

Details of contingent liabilities of the Group were as follows:

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Bank guarantees given to customers/suppliers and potential customers are for:		
Advance payment bonds	25,155	29,373
Performance bonds	92,528	68,975
Tender bonds	7,495	33,541
	125,178	131,889

A18. Capital commitments

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

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Amount authorised but contracted for property, plant and equipment	8,477	14,207

A19. Significant related party transactions

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

	Unaudited as at 31-Mar-18 RM'000	Audited as at 30-Jun-17 RM'000
Related companies by virtue of common shareholders:		
Purchased of material and services rendered	15,748	25,264

**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-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	Changes	
			RM'000	%
Revenue	260,915	170,828	90,087	53%
Profit before tax	17,662	29,862	(12,200)	-41%
Profit after tax	15,433	28,101	(12,668)	-45%

The revenue of the Group for the quarter under review was RM260.9 million which is RM90.1 million or 53% higher than the preceding year corresponding quarter which amounted to RM170.8 million. The Group reported a profit before tax ("PBT") of RM17.7 million for the current quarter which is RM12.2 million or 41% lower than RM29.9 million reported for the preceding year corresponding quarter.

The revenue of current quarter reflected the execution of on-going projects of the Group. The profit for current quarter was affected by stages of certain projects which are at an early stage of civil works. In addition, current quarter recorded higher finance costs due to the completion of Build-Operate-Transfer project in Cambodia as compared to preceding year corresponding quarter.

(b) Performance of the current year to-date against the same period in the preceding year

During the 9 months ended 31 March 2018, the Group achieved PBT of RM74.9 million on the back of the revenue totalling RM723.8 million, which represents 1.9% increase in PBT and 84% increase in revenue as compared to the same period in the preceding year.

The Group recorded a gross profit margin of 16% for the 9 months under review as compared to 24% for the same period in preceding year. The lower gross profit margin in current financial period under review is mainly due to different stages of project execution and the margin of each project. In addition, the financial elements of the concession assets amounting to RM37.0 million is recognised as other income instead of revenue in accordance to IC Interpretation 12 *Service Concession Arrangements*.

During the current financial period, revenue for the Project segment recorded at RM702.3 million as compared to RM388.1 million for the same period in the preceding year. This was mainly due to more projects and higher progressive construction revenue completed and recognised.

The Products segment recorded revenue of RM21.4 million during the 9 months ended 31 March 2018 as compared to RM5.5 million for the same period in preceding year. This was mainly due to higher demand from customers.

**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-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	Current period 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000
Amortisation of intangible assets	2,037	-	2,037	-
Depreciation of property, plant and equipment	1,221	1,315	3,658	3,645
Fair value loss on derivative financial instruments	8,125	-	23,601	-
Gain on disposal of property, plant and equipment	-	(79)	(80)	(112)
Interest expense	9,532	2,246	23,178	7,466
Interest income	(32)	(9)	(68)	(43)
Interest income arising from concession assets	(15,104)	-	(37,010)	-
Unwinding discount of financial liability	332	-	1,066	-
Unrealised (gain)/loss on foreign exchange	(539)	(8,801)	3,194	(11,320)

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

B3. Prospects

PESTECH presented its 3rd quarter financial results amidst an interesting time in Malaysia. Local market, in general, reacted cautiously towards the change of guards in the ruling government with an abundance of anticipation for the future to present itself positively, especially for local based business players. The Prime Minister assured that Putrajaya will continue to welcome foreign direct investment, with a caveat that local contractors will be given priority.

PESTECH, being established regionally, will seize this unique opportunity to further develop its market presence domestically in the power infrastructure industry, and strive to establish a homegrown, regionally renown brand name serving Malaysian and export markets.

The management is determined to contribute as much possible, towards the modernisation of the power infrastructure industry via value added activities in its project deliverance, control/ automation systems and products development, and human resource knowledge improvement.

As such, apart from its order book in hand, PESTECH will seek out opportunities which relate to power infrastructure sector development locally through potential collaboration with various relevant authorities for the betterment of the industry in the path of national building.

As at 3rd financial quarter, the Group had achieved record revenue and will go on to close the full financial year with an encouraging note. On the back of an expected record revenue closing, the Group is confident to maintain its Group Net Profit Margin at 9% - 11%.

As at 31 March 2018, the current order backlog is at RM1.67 billion which will sustain the growth of the Group for this financial year.

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.

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

B6. Dividend

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 2017.

B8. Status of corporate proposal

The corporate proposal announced by the Company on 25 February 2016 to list its indirect wholly-owned subsidiary company, PESTECH Cambodia Limited ("PCL"), on Main Board of Cambodia Securities Exchange ("CSX") is ongoing.

The applications was submitted to the Securities and Exchange Commission of Cambodia and CSX in relation to the Proposed Listing on 22 December 2017.

B9. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors on 23 May 2018.