

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31-Dec-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Current period to date 31-Dec-18 RM'000	Preceding year corresponding period 31-Dec-17 RM'000
Revenue	178,635	277,960	302,720	462,838
Cost of sales	(149,658)	(224,693)	(251,367)	(375,074)
Gross profit	28,977	53,267	51,353	87,764
Other income	17,124	13,057	36,709	23,854
Administration expenses	(15,751)	(23,010)	(32,221)	(40,680)
Profit from operations	30,350	43,314	55,841	70,938
Finance costs	(10,635)	(6,492)	(23,531)	(13,646)
Profit before tax	19,715	36,822	32,310	57,292
Income tax expense	(2,349)	(8,326)	(3,302)	(10,599)
Profit for the period	17,366	28,496	29,008	46,693
Other comprehensive income/(expense):				
Exchange translation differences	420	(11,225)	8,732	(15,796)
Total comprehensive income for the period	17,786	17,271	37,740	30,897
Profit for the period attributable to:				
Owners of the Company	14,469	22,170	24,419	33,270
Non-controlling interests	2,897	6,326	4,589	13,423
	17,366	28,496	29,008	46,693
Total comprehensive income for the period attributable to:				
Owners of the Company	14,818	13,793	30,477	21,489
Non-controlling interests	2,968	3,478	7,263	9,408
	17,786	17,271	37,740	30,897
EBITDA	33,059	44,524	60,999	73,375
Earnings per share				
- Basic (Sen)	1.89	2.90	3.19	4.36

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
31 DECEMBER 2018**

	Note	Unaudited as at 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		87,157	83,177
Intangible assets		89,987	90,520
Investment in an associated company		315	309
Derivative financial instruments		4,637	13,474
Concession assets		450,068	435,503
Total non-current assets		632,164	622,983
Current assets			
Amount due from contract customers		784,832	708,639
Concession assets		50,666	49,459
Inventories		26,875	33,882
Trade receivables	A13	126,494	122,391
Other receivables, deposits and prepayments		49,631	33,541
Amount due from related companies		-	81
Tax recoverable		18,226	18,093
Cash and bank balances	A14	50,496	118,608
Total current assets		1,107,220	1,084,694
Total assets		1,739,384	1,707,677

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

	Note	Unaudited as at 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		212,672	212,672
Reserves		214,925	244,596
		427,597	457,268
Non-controlling interests		76,325	69,062
Total equity		503,922	526,330
LIABILITIES			
Non-current liabilities			
Finance lease liabilities	A15	4,287	582
Loans and borrowings	A15	470,059	372,428
Deferred tax liabilities		241	241
Total non-current liabilities		474,587	373,251
Current liabilities			
Amount due to contract customers		-	5,827
Trade payables		417,013	392,356
Other payables and accruals		28,634	28,770
Amount due to Directors		-	31
Amount due to related companies		882	-
Finance lease liabilities	A15	1,199	544
Loans and borrowings	A15	293,190	362,605
Tax payable		19,957	17,963
Total current liabilities		760,875	808,096
Total liabilities		1,235,462	1,181,347
Total equity and liabilities		1,739,384	1,707,677
Net assets per share (Sen)		65.76	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 Customer.

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 SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 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	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	-	-	-	-	24,419	24,419	4,589	29,008
Other comprehensive income for the financial period	-	6,058	-	-	-	6,058	2,674	8,732
Total comprehensive income for the financial period	-	6,058	-	-	24,419	30,477	7,263	37,740
As at 31 December 2018	212,672	(4,236)	(33,137)	8,534	243,764	427,597	76,325	503,922

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 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	-	-	-	33,270	33,270	13,423	46,693
Other comprehensive expenses for the financial period	-	(11,781)	-	-	(11,781)	(4,015)	(15,796)
Total comprehensive income for the financial period	-	(11,781)	-	33,270	21,489	9,408	30,897
Transactions with owners:							
Issue of share capital	1,405	-	-	-	1,405	-	1,405
As at 31 December 2017	212,670	(11,967)	(33,137)	263,327	430,893	65,775	496,668

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 31 DECEMBER 2018

	6-months ended	
	31-Dec-18 RM'000	31-Dec-17 RM'000
OPERATING ACTIVITIES		
Profit before tax	32,310	57,292
Adjustments for:		
Amortisation of intangible assets	2,456	-
Amortisation of unwinding discount of financial liability	725	734
Depreciation of property, plant and equipment	2,702	2,437
Fair value loss on derivative financial instruments	471	15,476
Finance income arising from MFRS15	(4,238)	-
Gain on disposal of property, plant and equipment	(590)	(80)
Interest expense	22,806	13,646
Interest income	(170)	(36)
Interest income arising from concession assets	(21,227)	(21,906)
Share grant expenses	-	1,405
Unrealised (gain)/loss on foreign exchange	(9,217)	3,733
Operating profit before working capital changes	26,028	72,701
Changes in working capital:		
Inventories	7,007	(37,206)
Receivables	(20,192)	5,597
Payables	29,510	188,332
Concession assets	17,286	(45,022)
Contract customers	(132,103)	(216,283)
Cash used in operations	(72,464)	(31,881)
Tax paid	(1,439)	(4,296)
Net cash used in operating activities	(73,903)	(36,177)
INVESTING ACTIVITIES		
Interest received	170	36
Proceeds from disposal of property, plant and equipment	590	80
Purchase of property, plant and equipment*	(1,817)	(8,336)
Advance to an associated company	964	-
Acquisition of intangible assets	(25)	-
Net cash used in investing activities	(118)	(8,220)

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

	6-months ended	
	31-Dec-18 RM'000	31-Dec-17 RM'000
FINANCING ACTIVITIES		
Repayment to Directors	-	(626)
Interest paid	(22,806)	(13,646)
Drawdown from borrowings	336,028	240,785
Repayment of borrowings	(312,283)	(188,252)
Net cash from financing activities	939	38,261
CASH AND CASH EQUIVALENTS		
Net changes	(73,082)	(6,136)
Cash and cash equivalents at beginning of the period	108,859	15,298
Effect of foreign exchange translation	(3,617)	2,897
Cash and cash equivalents at end of the period	32,160	12,059

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

	31-Dec-18 RM'000	31-Dec-17 RM'000
Purchase of property, plant and equipment	6,675	8,336
Finance by way of finance lease arrangements	(4,858)	-
Cash payments on purchase of property, plant and equipment	1,817	8,336

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 and associate 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, amendments to MFRSs and IC interpretation did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial statements 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 operation

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 subject 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 31 December 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 31 December 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 31 December 2018.

A6. Dividends paid

There were no dividends paid during the current financial quarter ended 31 December 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 December 2018.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 31 December 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 December 2018 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	173,377	5,258	-	178,635
Inter-segment	1,088	39,487	4,108	(44,683)	-
Total revenue	1,088	212,864	9,366	(44,683)	178,635
Interest income	-	12,809	-	-	12,809
Finance costs	-	(10,571)	(64)	-	(10,635)
Net finance income/ (expenses)	-	2,238	(64)	-	2,174
Segment profit/ (loss) before tax	(66)	58,273	(49)	(38,443)	19,715
Segment profit/ (loss) after tax	(84)	57,968	(49)	(40,469)	17,366

	← Results for the quarter ended 31 December 2017 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	265,420	12,540	-	277,960
Inter-segment	531	47,909	1,355	(49,795)	-
Total revenue	531	313,329	13,895	(49,795)	277,960
Interest income	-	11,712	-	-	11,712
Finance costs	-	(6,465)	(27)	-	(6,492)
Net finance income/ (expenses)	-	5,247	(27)	-	5,220
Segment profit/ (loss) before tax	(4,054)	89,472	141	(48,737)	36,822
Segment profit/ (loss) after tax	(4,054)	80,987	41	(48,478)	28,496

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 December 2018 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	296,038	6,682	-	302,720
Inter-segment	2,051	54,035	7,929	(64,015)	-
Total revenue	2,051	350,073	14,611	(64,015)	302,720
Interest income	-	25,635	-	-	25,635
Finance costs	-	(23,390)	(141)	-	(23,531)
Net finance income/ (expenses)	-	2,245	(141)	-	2,104
Segment profit/ (loss) before tax	1,301	80,079	(943)	(48,127)	32,310
Segment profit/ (loss) after tax	1,267	78,837	(943)	(50,153)	29,008

	← Results for the period ended 31 December 2017 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	446,329	16,509	-	462,838
Inter-segment	1,391	63,602	1,833	(66,826)	-
Total revenue	1,391	509,931	18,342	(66,826)	462,838
Interest income	-	21,941	1	-	21,942
Finance costs	-	(13,619)	(27)	-	(13,646)
Net finance income/ (expenses)	-	8,322	(26)	-	8,296
Segment profit/ (loss) before tax	(5,977)	118,546	456	(55,733)	57,292
Segment profit/ (loss) after tax	(5,977)	107,947	282	(55,559)	46,693

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

A10. Income tax expense

	Current year quarter 31-Dec-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Current period to date 31-Dec-18 RM'000	Preceding year corresponding period 31-Dec-17 RM'000
Tax expenses	(2,349)	(8,326)	(3,302)	(10,599)

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 31-Dec-18	Preceding year corresponding quarter 31-Dec-17	Current period to date 31-Dec-18	Preceding year corresponding period 31-Dec-17
Profit attributable to owners of the Company (RM'000)	14,469	22,170	24,419	33,270
Weighted average number of ordinary shares in issue ('000)	764,294	763,604	764,294	763,604
Basic earnings per share (Sen)	1.89	2.90	3.19	4.36

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 December 2018, the Group acquired assets at a cost of RM4.3 million.

A13. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
Trade receivables	66,215	64,278
Retention sums on contracts	60,279	58,113
	126,494	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 31-Dec-18 RM'000	Unaudited as at 31-Dec-17 RM'000
Cash and bank balances	45,454	28,691
Short-term deposits with licensed institutions	5,042	-
Bank overdrafts	(18,336)	(16,632)
	32,160	12,059

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-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	4,287	582
Term loans	470,059	372,428
	474,346	373,010
Current liabilities		
Secured:		
Finance lease liabilities	1,199	544
Term loans	28,345	25,954
Bank overdrafts	18,336	9,749
Banker acceptances	22,193	64,488
Trust receipts	138,459	171,744
Revolving credit	85,857	90,670
	294,389	363,149
	768,735	736,159

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

	Unaudited as at 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
Ringgit Malaysia	294,908	343,631
United States Dollar	473,582	387,785
Euro	245	4,743
	768,735	736,159

Included in term loan is RM454.6 million (30.06.2018: RM352.5 million) to part finance projects in Cambodia. The repayment of these term loan are ring fenced by the proceeds from the projects.

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 31 January 2019, a wholly-owned subsidiary company, PESTECH Sdn. Bhd. (“PSB”), received a Letter of Acceptance from Tenaga Nasional Berhad for establishment of PMU 500/275kV Junjung (3x1050 MVA), Kedah at a total contract amount of RM168,394,800. As the Northern area of Peninsular Malaysia (“Northern Region”) is expected to be in power deficit due to plant retirement in a few years’ time, the establishment of PMU Junjung 500/275kV with a total power capacity of 3,150MVA and energization of Ayer Tawar-Junjung lines at 500kV are required to facilitate heavy power transfer from Perak to Prai area through several transformers and lines to the Northern Region. The reinforcement will strengthen the grid network and improve security of supply in the future.

On the same day, PSB through Pembinaan Tajri Sdn. Bhd. – PESTECH Sdn. Bhd. JV, had received a Letter of Acceptance from Tenaga Nasional Berhad for Double Circuit 275kV XLPE Underground Cable from PMU Prince Court to PMU Ampang at a total contract amount of RM112,500,000. The proposed scope of work is to design, manufacture, supply, erect and commission of 275kV double circuit cable from PMU Ampang to the proposed PMU Prince Court. The cable route will run through central of Kuala Lumpur from Prince Court area to Jalan Taman U-Thant and connecting to Jalan Ampang towards Jelatek area. The cable system is to deliver a minimum of 500MVA power for each 275kV cable circuit under this Project; considering full load operation of all cable circuits inclusive of the neighbourhood power cable systems.

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 31-Dec-18 RM’000	Audited as at 30-Jun-18 RM’000
Secured outstanding as at:		
Finance lease liabilities of the Group	5,486	1,126
Loan and borrowings of subsidiaries	763,249	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 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
Amount authorised and contracted for property, plant and equipment	1,659	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 31-Dec-18 RM'000	Audited as at 30-Jun-18 RM'000
Related companies by virtue of common shareholders: Purchased of material and services rendered	5,195	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 31-Dec-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Changes	
			RM'000	%
Revenue	178,635	277,960	(99,325)	-36%
Profit before tax	19,715	36,822	(17,107)	-46%
Profit after tax	17,366	28,496	(11,130)	-39%

The Group registered a revenue of RM178.6 million for current quarter under review as compared to RM278.0 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 RM173.4 million as compared to RM265.4 million in the preceding year corresponding financial quarter. The performance was principally derived from its on-going transmission and distribution 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 31.12.2018, our order book balance stood at RM1.771 billion, which will be realized progressively over the contract period.

The Group has recorded profit before tax of RM19.7 million as compared to RM36.8 million for the preceding year corresponding quarter. The PBT margin for the quarter under review was 11% which is slightly lower as compared to the PBT margin for the preceding year corresponding quarter of 13%.

**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 to-date 31-Dec-18 RM'000	Immediate preceding quarter 30-Sep-18 RM'000	Changes	
			RM'000	%
Revenue	178,635	124,085	54,550	44%
Profit before tax	19,715	12,595	7,120	57%
Profit after tax	17,366	11,642	5,724	49%

The Group recorded revenue of RM178.6 million for current quarter under review as compared to RM124.1 million for the immediate preceding quarter.

Profit before tax for the current quarter under review is recorded at RM19.7 million as compared to RM12.6 million for the immediate preceding quarter. The profit before tax for current quarter under review are higher, this was mainly due to higher gross profit at RM29.0 million, while immediate preceding quarter at RM22.4 million.

The PBT margin for the quarter under review was 11% as compared to the PBT margin of the immediate preceding quarter of 10%.

**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-18 RM'000	Preceding year corresponding quarter 31-Dec-17 RM'000	Current period to date 31-Dec-18 RM'000	Preceding year corresponding period 31-Dec-17 RM'000
Amortisation of intangible assets	1,255	-	2,456	-
Amortisation of unwinding discount of financial liability	352	361	725	734
Depreciation of property, plant and equipment	1,454	1,210	2,702	2,437
Fair value (gain)/ loss on derivative financial instruments	(694)	9,800	471	15,476
Finance income arising from MFRS15	(2,067)	-	(4,238)	-
Gain on disposal of property, plant and equipment	-	(50)	(590)	(80)
Interest expense	9,910	6,492	22,806	13,646
Interest income	(97)	(18)	(170)	(36)
Interest income arising from concession assets	(10,645)	(11,694)	(21,227)	(21,906)
Unrealised (gain)/loss on foreign exchange	(3,136)	2,632	(9,217)	3,733

B3. Prospects

The Group has procured, to-date, 3 contracts for the 500kV substation built up, being the highest specification power grid backbone infrastructure in the ASEAN region. Recently, we have also won a tender for design, manufacture, supply, erect and commission of the double circuit 275kV XLPE underground cable, which is also one of the highest specification underground power transmission infrastructure in the ASEAN region. The successful implementation of these projects would provide PESTECH Group with credentials to explore similar nature of projects in the region.

PESTECH, via its wholly owned subsidiary PESTECH Technology Sdn Bhd, has made active advancement in the rail electrification market. We have completed 8km of double track overhead catenary system at Subang Skypark, and procured 60km of new double track electrification project under Klang Valley Double Track I rehabilitation project, with another 192km of Southern Double Track project connecting Gemas to Johor Bharu. In addition, we are also in the midst of executing a 50km urban rail electrification project for Mass Rail Transit 2.

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

B3. Prospects (Continued)

Our sole overseas foray in rail electrification begins with the contract to electrify the 26km Bang Sue to Khlong Rangsit rail link in Thailand.

The positive progress in the rail electrification segment enhance our project track record and experience, and this will support the group to expand its rail electrification business in complementary to its bread and butter activities of high voltage and extra high voltage infrastructure build up. As such, the group will be able to develop further the procurement for double track and urban rail electrification projects, particularly in the ASEAN region.

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.