

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30-Sep-19 RM'000	Preceding year corresponding quarter 30-Sep-18 RM'000	Current period to date 30-Sep-19 RM'000	Preceding year corresponding period 30-Sep-18 RM'000
Revenue	187,360	124,085	187,360	124,085
Cost of sales	(142,989)	(101,709)	(142,989)	(101,709)
Gross profit	44,371	22,376	44,371	22,376
Other income	15,260	19,585	15,260	19,585
Administration expenses	(22,930)	(16,470)	(22,930)	(16,470)
Profit from operations	36,701	25,491	36,701	25,491
Finance costs	(12,753)	(12,896)	(12,753)	(12,896)
Profit before tax	23,948	12,595	23,948	12,595
Income tax expense	(3,706)	(953)	(3,706)	(953)
Profit for the period	20,242	11,642	20,242	11,642
Other comprehensive (loss)/income:				
Exchange translation differences	(2,734)	8,312	(2,734)	8,312
Fair value loss on cash flow hedge	(5,216)	-	(5,216)	-
Total comprehensive income for the period	12,292	19,954	12,292	19,954
Profit for the period attributable to:				
Owners of the Company	19,320	9,950	19,320	9,950
Non-controlling interests	922	1,692	922	1,692
	20,242	11,642	20,242	11,642
Total comprehensive income attributable to:				
Owners of the Company	9,209	15,659	9,209	15,659
Non-controlling interests	3,083	4,295	3,083	4,295
	12,292	19,954	12,292	19,954
EBITDA	40,239	27,940	40,239	27,940
Earnings per share				
- Basic (Sen)	2.53	1.30	2.53	1.30

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 2019.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2019**

	Note	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		101,167	91,418
Intangible assets		87,104	87,273
Investment in an associated company		480	461
Derivative financial instruments		3,434	7,211
Contract assets	A13	472,489	461,902
Total non-current assets		664,674	648,265
Current assets			
Contract assets	A13	1,086,613	996,597
Inventories		26,027	14,133
Trade receivables	A14	165,072	198,142
Other receivables, deposits and prepayments		56,970	45,794
Tax recoverable		18,909	18,045
Fixed deposits with licensed institutions		2,842	8,046
Cash and bank balances		63,188	158,523
Total current assets		1,419,621	1,439,280
Total assets		2,084,295	2,087,545

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2019 (CONT'D)**

	Note	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		212,672	212,672
Reserves		(43,894)	(33,783)
Retained earnings		322,023	302,703
		490,801	481,592
Non-controlling interests		82,380	79,297
Total equity		573,181	560,889
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		12,915	7,540
Finance lease liabilities	A16	5,208	4,922
Loans and borrowings	A16	676,104	662,276
Deferred tax liabilities		336	336
Trade payables		68,445	66,485
Total non-current liabilities		763,008	741,559
Current liabilities			
Contract liabilities	A13	-	393
Trade payables		364,860	371,656
Other payables and accruals		20,940	31,456
Finance lease liabilities	A16	1,753	1,671
Loans and borrowings	A16	348,870	367,690
Tax payable		11,683	12,231
Total current liabilities		748,106	785,097
Total liabilities		1,511,114	1,526,656
Total equity and liabilities		2,084,295	2,087,545
Net assets per share (Sen)		74.99	73.39

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019
(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	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000			
At 1 July 2018	212,672	(10,294)	8,534	(33,137)	279,493	457,268	69,062	526,330
Effect of adoption of MFRS15	-	-	-	-	(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
At 30 September 2018	212,672	(4,585)	8,534	(33,137)	229,295	412,779	73,357	486,136

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	3-months ended	
	30-Sep-19 RM'000	30-Sep-18 RM'000
OPERATING ACTIVITIES		
Profit before tax	23,948	12,595
Adjustments for:		
Amortisation of intangible assets	1,252	1,201
Amortisation of unwinding discount of financial liability	1,040	373
Depreciation of property, plant and equipment	2,286	1,248
Fair value loss on derivative financial instruments	3,777	1,165
Finance income arising from MFRS15	-	(2,171)
Gain on disposal of property, plant and equipment	-	(590)
Interest expense	11,713	12,896
Interest income	(173)	(73)
Interest income arising from concession assets	(10,810)	(10,582)
Unrealised gain on foreign exchange	(4,235)	(6,081)
Operating profit before working capital changes	28,798	9,981
Changes in working capital:		
Inventories	(11,894)	(409)
Receivables	21,894	(44,724)
Payables	(9,798)	(22,140)
Concession assets	7,187	8,612
Contract customers	(90,411)	(39,949)
Cash used in operations	(54,224)	(88,629)
Tax paid	(5,117)	(1,309)
Net cash used in operating activities	(59,341)	(89,938)
INVESTING ACTIVITIES		
Interest received	173	73
Proceeds from disposal of property, plant and equipment	-	590
Purchase of property, plant and equipment*	(11,477)	(214)
Advance to an associated company	-	(110)
Acquisition of intangible assets	-	(16)
Net cash (used in)/from investing activities	(11,304)	323

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

	3-months ended	
	30-Sep-19 RM'000	30-Sep-18 RM'000
FINANCING ACTIVITIES		
Repayment to Directors	-	(31)
Interest paid	(11,713)	(12,896)
Drawdown from borrowings	98,850	195,867
Repayment of borrowings	(121,487)	(180,174)
Net cash (used in)/from financing activities	(34,350)	2,766
CASH AND CASH EQUIVALENTS		
Net changes	(104,995)	(86,849)
Cash and cash equivalents at beginning of the period	147,820	108,859
Effect of foreign exchange translation	12	696
Cash and cash equivalents at end of the period	42,837	22,706

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

	30-Sep-19 RM'000	30-Sep-18 RM'000
Purchase of property, plant and equipment	11,938	2,337
Finance by way of finance lease arrangements	(461)	(2,123)
Cash payments on purchase of property, plant and equipment	11,477	214

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 2019.

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 2019.

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 2019.

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 2019, except for the adoption of the following:

MFRSs, 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*	Investment in Associates and Joint Ventures: Long Term Interest in Associates and Joint Ventures
IC interpretation 23*	Uncertainty over Income Tax Treatments
	MFRS 4 Insurance Contracts
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)

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:

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

Transition to MFRS 16

The Group plans to adopt the MFRS 16 retrospectively to each prior reporting period presented with the cumulative effect of initially applying MFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. The Group will elect to apply the standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying MFRS 117 and IC Interpretation 4.

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)

Transition to MFRS 16 (Cont'd)

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value.

Due to the adoption of MFRS 16, the Group’s operating profit will improve, while its interest expense will increase. This is due to the changes in the accounting for expenses of leases that were classified as operating leases under MFRS 117.

The overall effects of MFRS 16 is currently being assessed and a reliable estimation of the quantitative effects is not yet available.

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

Amendments to MFRSs and IC Interpretation effective 1 January 2020:

Amendments to MFRS 3*	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
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
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Amendments to MFRSs - effective date deferred indefinitely:

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

* 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.

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

A2. Seasonal or cyclical factors

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter ended 30 September 2019.

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 2019.

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 2019.

A6. Dividends paid

There were no dividends paid during the current financial quarter ended 30 September 2019.

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 2019.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 September 2019.

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 2019 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	185,609	1,751	-	187,360
Inter-segment	2,458	53,219	10,287	(65,964)	-
Total revenue	2,458	238,828	12,038	(65,964)	187,360
Interest income	-	10,983	-	-	10,983
Finance costs	-	(12,704)	(49)	-	(12,753)
Net finance expenses	-	(1,721)	(49)	-	(1,770)
Segment profit/ (loss) before tax	(707)	27,634	62	(3,041)	23,948
Segment profit/ (loss) after tax	(757)	23,978	62	(3,041)	20,242

	← 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

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 2019 →				
	Investment RM'000	Project RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External	-	185,609	1,751	-	187,360
Inter-segment	2,458	53,219	10,287	(65,964)	-
Total revenue	2,458	238,828	12,038	(65,964)	187,360
Interest income	-	10,983	-	-	10,983
Finance costs	-	(12,704)	(49)	-	(12,753)
Net finance expenses	-	(1,721)	(49)	-	(1,770)
Segment profit/ (loss) before tax	(707)	27,634	62	(3,041)	23,948
Segment profit/ (loss) after tax	(757)	23,978	62	(3,041)	20,242
	← Results for the period 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

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-19 RM'000	Preceding year corresponding quarter 30-Sep-18 RM'000	Current period to date 30-Sep-19 RM'000	Preceding year corresponding period 30-Sep-18 RM'000
Tax expenses	(3,706)	(953)	(3,706)	(953)

Income tax is calculated at Malaysian statutory tax rate of 24% (2019: 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-19	Preceding year corresponding quarter 30-Sep-18	Current period to date 30-Sep-19	Preceding year corresponding period 30-Sep-18
Profit attributable to owners of the Company (RM'000)	19,320	9,950	19,320	9,950
Weighted average number of ordinary shares in issue ('000)	764,294	764,294	764,294	764,294
Basic earnings per share (Sen)	2.53	1.30	2.53	1.30

A11.2. Diluted earnings per share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial period under review.

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

A12. Property, plant and equipment

During the current financial quarter ended 30 September 2019, the Group acquired assets at a cost of RM11.9 million.

A13. Contract assets

	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
Contract assets		
Contract assets from a customer on concession arrangement	523,124	512,537
Contract assets from customers on construction contracts	1,035,978	945,962
	1,559,102	1,458,499
Presented by:		
Non-current	472,489	461,902
Current	1,086,613	996,597
	1,559,102	1,458,499
Contract liabilities		
Contract liabilities from customers on construction contracts	-	393

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
Trade receivables	70,075	117,183
Retention sums on contracts	94,997	80,959
	165,072	198,142

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

A15. Cash and bank balances

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

	Unaudited as at 30-Sep-19 RM'000	Unaudited as at 30-Sep-18 RM'000
Cash and bank balances	63,183	35,539
Short-term deposits with licensed institutions	2,842	5,042
Bank overdrafts	(23,188)	(17,875)
	42,837	22,706

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
Non-current liabilities		
Secured:		
Finance lease liabilities	5,208	4,922
Term loans	676,104	662,276
	681,312	667,198
Current liabilities		
Secured:		
Finance lease liabilities	1,753	1,671
Term loans	26,542	28,640
Bank overdrafts	23,188	18,749
Banker acceptances	34,662	50,736
Trust receipts	132,786	126,585
Revolving credit	131,692	142,980
	350,623	369,361
	1,031,935	1,036,559

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

	Unaudited as at 30-Sep-19 RM'000	Audited as at 30-Jun-19 RM'000
Ringgit Malaysia	336,021	353,137
United States Dollar	695,674	681,748
Euro	240	1,674
	1,031,935	1,036,559

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

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

On 8 November 2019, its wholly-owned subsidiary, PESTECH Sdn Bhd (“PSB”), received a Letter of Award (“LOA”) from Tenaga Nasional Berhad (“TNB”) to supply and deliver smart meter for Smart Billing Project Deployment Phase 2 (Selangor, Kuala Lumpur, Putrajaya and Cyberjaya) for years 2019 and 2020, at a total contract amount of RM38,375,361.36 (hereinafter referred to as the “Contract”).

A18. 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:

Secured outstanding as at:

Finance lease liabilities of the Group

Loan and borrowings of subsidiaries

Unaudited as at 30-Sep-19 RM’000	Audited as at 30-Jun-19 RM’000
6,961	6,593
1,024,974	1,029,966

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to banks, financial institutions and suppliers requiring parent guarantees as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of “at market” terms and hence the fair value of the credit facilities is equal to the credit facilities amount received by the subsidiaries. As such, there is no value on corporate guarantee to be recognised in the financial statements.

A19. Capital commitments

There were no capital commitments at the end of the financial period.

A20. 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:

Related companies by virtue of common shareholders:

Purchased of material and services rendered

Unaudited as at 30-Sep-19 RM’000	Audited as at 30-Jun-19 RM’000
3,715	18,160

**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-19 RM'000	Preceding year corresponding quarter 30-Sep-18 RM'000	Changes	
			RM'000	%
Revenue	187,360	124,085	63,275	51%
Other income	15,260	19,585	(4,325)	-22%
Profit before tax ("PBT")	23,948	12,595	11,353	90%
Profit after tax ("PAT")	20,242	11,642	8,600	74%

The Group registered a revenue of RM187.4 million for current quarter under review as compared to RM124.1 million for the preceding year corresponding quarter. The Group revenue reflects the stage of projects completion during the quarter under review.

During the current financial quarter, revenue for Project segment was recorded at RM185.6 million as compared to RM122.7 million in the preceding year corresponding financial quarter. The performance was in line with the planned progress of on-going transmission, distribution and rail electrification projects. As of 30 September 2019, our order book balance stood at RM1.5 billion, which will be realised progressively over the contract periods.

The Group recorded profit before tax of RM23.9 million as compared to RM12.6 million for the preceding year corresponding quarter. The PBT margin for the quarter under review was 13% which is higher as compared to the PBT margin for the preceding year corresponding quarter of 10%.

The Group recorded profit after tax of RM20.2 million as compared to RM11.6 million for the preceding year corresponding quarter. The PAT margin for the quarter under review was 10.8%, which is within the Group target of 9% to 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-19 RM'000	Immediate preceding quarter 30-Jun-19 RM'000	Changes	
			RM'000	%
Revenue	187,360	285,257	(97,897)	-34%
Other income	15,260	13,156	2,104	16%
Profit before tax ("PBT")	23,948	41,536	(17,588)	-42%
Profit after tax ("PAT")	20,242	36,311	(16,069)	-44%

The Group recorded revenue of RM187.4 million for current quarter under review as compared to RM285.3 million for the immediate preceding quarter.

Profit before tax for the current quarter under review was recorded at RM23.9 million as compared to RM41.5 million for the immediate preceding quarter. The profit before tax for current quarter under review was lower, this was mainly due to lower revenue at RM187.3 million, while immediate preceding quarter at RM285.3 million.

The Group recorded profit before tax of RM23.9 million as compared to RM41.5 million for the immediate preceding quarter. The PBT margin for the quarter under review and immediate preceding quarter were 13% and 15% respectively.

The Group recorded profit after tax of RM20.2 million as compared to RM36.3 million for the immediate preceding quarter. The PAT margin for the quarter under review and immediate preceding quarter were 11% and 13% respectively.

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

B2. Profit before tax

Included in the profit before tax are the following items:

	Current year quarter 30-Sep-19 RM'000	Preceding year corresponding quarter 30-Sep-18 RM'000	Current period to date 30-Sep-19 RM'000	Preceding year corresponding period 30-Sep-18 RM'000
Amortisation of intangible assets	1,252	1,201	1,252	1,201
Amortisation of unwinding discount of financial liability	1,040	373	1,040	373
Depreciation of property, plant and equipment	2,286	1,248	2,286	1,248
Fair value loss on derivative financial instruments	3,777	1,165	3,777	1,165
Gain on disposal of property, plant and equipment	-	(590)	-	(590)
Interest expense	11,713	12,896	11,713	12,896
Interest income	(173)	(73)	(173)	(73)
Interest income arising from concession assets	(10,810)	(10,582)	(10,810)	(10,582)
Unrealised gain on foreign exchange	(4,235)	(6,081)	(4,235)	(6,081)

B3. Prospects

As the Group opened up a fresh page in this new financial year 2020, PESTECH delivered encouraging results for the first quarter of financial year 2020, backed by an order book of about RM1.5 billion.

According to an article published on the World Economic Forum, “Next year (2020), in purchasing power parity (PPP) terms, Asian economies will become larger than the rest of the world combined for the first time since the 19th century.” The global growth potential in the power infrastructure market, in the similar trend, will be mainly contributed from the Asian region; and quite a sizable proportion would be from ASEAN countries. In the midst of such a positive development, it is evidenced that a growing emphasis has been placed towards green energy initiatives, which include solar, wind, and waste to energy.

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

B3. Prospects (Continued)

PESTECH is sensitive towards the importance of the promotion of environmentally friendly energy source, and the promulgation of sustainable power infrastructure eco-system in the development of its business strategies and corporate plans. As such, the management is buoyant about the prospects on renewable energy related projects in the region, and will continue its effort to explore potential contracts either as concessionaire, or turnkey EPC basis.

The Group has also starting to see fruition of its effort in the area of IoT and Industry 4.0 product advocacy. Encouraging first contract from Tenaga Nasional Berhad (“TNB”) has been procured in November 2019 for the supply of smart meters, as part of the nation-wide meter upgrading exercise undertaken by TNB.

We are also introducing other intelligence application (app)-based system for big-data enabled functionality to offer utility in the region an avenue of electricity data management for greater insights into overall operational management, and enhancement of customer service capability.

The management is positive of the forward development of the Group, and confident that current efforts shall bring exciting future results for all stakeholders of PESTECH.

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 2019.

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

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.