

PESTECH INTERNATIONAL BERHAD

(Co. No. 948035-U)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2017

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Sep 2017 RM'000	Preceding year corresponding quarter 30 Sep 2016 RM'000 (restated)	Current period 30 Sep 2017 RM'000	Preceding year corresponding period 30 Sep 2016 RM'000 (restated)
Revenue	184,878	102,827	184,878	102,827
Cost of sales	(150,381)	(78,792)	(150,381)	(78,792)
Gross profit	34,497	24,035	34,497	24,035
Other income	10,797	5,503	10,797	5,503
Administration expenses	(17,670)	(7,099)	(17,670)	(7,099)
Profit from operations	27,624	22,439	27,624	22,439
Finance costs	(7,154)	(2,658)	(7,154)	(2,658)
Profit before tax	20,470	19,781	20,470	19,781
Income tax expense	(2,273)	(737)	(2,273)	(737)
Profit for the period	18,197	19,044	18,197	19,044
Other comprehensive expense:				
Exchange translation differences	(4,571)	(4,882)	(4,571)	(4,882)
Total comprehensive income for the period	13,626	14,162	13,626	14,162
Profit for the period attributable to:				
Owners of the Company	11,100	11,941	11,100	11,941
Non-controlling interests	7,097	7,103	7,097	7,103
	18,197	19,044	18,197	19,044
Total comprehensive income attributable to:				
Owners of the Company	7,696	7,729	7,696	7,729
Non-controlling interests	5,930	6,433	5,930	6,433
	13,626	14,162	13,626	14,162
EBITDA	28,851	23,516	28,851	23,516
Earnings per share (Sen)				
- Basic (Sen)	1.45	1.60	1.45	1.60

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Unaudited as at 30 Sep 2017 RM'000	Audited as at 30 Jun 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,319	70,247
Intangible asset	85,164	86,595
Derivative financial instruments	-	4,570
Concession assets	434,941	416,174
Total non-current assets	593,424	577,586
Current assets		
Amount due from contract customers	439,712	342,643
Concession assets	38,790	26,301
Inventories	51,172	39,517
Trade receivables	85,538	95,794
Other receivables, deposits and prepayments	25,529	53,615
Amount due from related companies	39	39
Tax recoverable	15,101	14,465
Cash and bank balances	18,137	22,150
Total current assets	674,018	594,524
Total assets	1,267,442	1,172,110

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

(CONT'D)

	Unaudited as at 30 Sep 2017 RM'000	Audited as at 30 Jun 2017 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	211,265	211,265
Reserves	204,430	196,734
	415,695	407,999
Non-controlling interests	62,297	56,367
Total equity	477,992	464,366
Liabilities		
Non-current liabilities		
Finance lease liabilities	433	654
Loans and borrowings	274,606	274,362
Trade payables	30,902	31,275
Derivatives financial instruments	1,106	-
Deferred tax liabilities	241	241
Total non-current liabilities	307,288	306,532
Current liabilities		
Amount due to contract customers	-	2,456
Trade payables	202,004	130,746
Other payables and accruals	14,236	27,211
Amount due to Directors	-	626
Finance lease liabilities	1,129	1,267
Loans and borrowings	256,185	231,166
Tax payable	8,608	7,740
Total current liabilities	482,162	401,212
Total liabilities	789,450	707,744
Total equity and liabilities	1,267,442	1,172,110
Net assets per share (Sen)	62.62	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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2017

	← 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 30 June 2017	211,265	(186)	(33,137)	230,057	407,999	56,367	464,366
Profit for the financial period	-	-	-	11,100	11,100	7,097	18,197
Other comprehensive expense for the financial period	-	(3,404)	-	-	(3,404)	(1,167)	(4,571)
Total comprehensive income for the financial period	-	(3,404)	-	11,100	7,696	5,930	13,626
As at 30 September 2017	211,265	(3,590)	(33,137)	241,157	415,695	62,297	477,922

*As at 30 September 2017, the share premium recorded at RM20,420,059.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)

	← Attributable to owners of the Company →						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	Total RM'000		
As at 30 June 2016	93,297	89,379	4,979	(33,137)	161,533	316,051	26,097	342,148
Profit for the financial period	-	-	-	-	11,941	11,941	7,103	19,044
Other comprehensive expense for the financial period	-	-	(4,212)	-	-	(4,212)	(670)	(4,882)
Total comprehensive income for the financial period	-	-	(4,212)	-	11,941	7,729	6,433	14,162
Transactions with Owners:								
Issue of share capital	93,297	(89,379)	-	-	(3,918)	-	-	-
As at 30 September 2016	186,594	-	767	(33,137)	169,556	323,780	32,530	356,310

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	30 Sep 2017 RM'000	30 Sep 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,470	19,781
Adjustments for:		
Depreciation of property, plant and equipment	1,227	1,077
Fair value loss on derivative financial instruments	5,676	-
Gain on disposal of property, plant and equipment	(30)	-
Interest expense	7,154	2,658
Interest income	(18)	(199)
Interest income arising from concession assets	(10,212)	-
Issuance of share expense	-	3,917
Unwinding discount of financial liability	373	-
Unrealised loss/(gain) on foreign exchange	1,101	(5,064)
Operating profit before working capital changes	25,741	22,170
Changes in working capital:		
Inventories	(11,655)	(12,148)
Receivables	38,341	(47,157)
Payables	56,092	160,770
Concession assets	(21,042)	-
Contract customers	(99,182)	(51,429)
Cash (used in)/generated from operations	(11,705)	72,206
Tax paid	(2,041)	(5,903)
Net cash (used in)/from operating activities	(13,746)	66,303
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	18	199
Proceeds from disposal of property, plant and equipment	30	-
Purchase of property, plant and equipment	(4,321)	(7,555)
Acquisition of concession assets	-	(61,343)
Acquisition of intangible assets	-	(1,383)
Bank balance realised from financial institution	-	(355)
Net cash used in investing activities	(4,273)	(70,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to Directors	(626)	-
Interest paid	(7,154)	(2,658)
Drawdown from borrowings	109,430	110,334
Repayment of borrowings	(90,528)	(88,839)
Net cash from financing activities	11,122	18,837

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (CONT'D)

	30 Sep 2017	30 Sep 2016
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net changes	(6,897)	14,703
Cash and cash equivalents at beginning of the period	15,298	9,964
Effect of foreign exchange translation	(3,118)	(12,771)
Cash and cash equivalents at end of the period	5,283	11,896

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.