

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Sep 2021 RM'000	Preceding year corresponding quarter 30 Sep 2020 RM'000	Current period 30 Sep 2021 RM'000	Preceding year corresponding period 30 Sep 2020 RM'000
Revenue	207,813	248,842	207,813	248,842
Operating expenses	(183,956)	(208,947)	(183,956)	(208,947)
Other operating income	260	301	260	301
Other gains/(losses)	425	(3,026)	425	(3,026)
Operating profit	24,542	37,170	24,542	37,170
Share of (loss)/profit of equity-accounted associate	(61)	34	(61)	34
Profit before interest and tax	24,481	37,204	24,481	37,204
Finance income	14,190	11,371	14,190	11,371
Finance costs	(14,036)	(14,815)	(14,036)	(14,815)
Profit before tax	24,635	33,760	24,635	33,760
Tax expense	(3,012)	(8,732)	(3,012)	(8,732)
Profit for the period	21,623	25,028	21,623	25,028
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	4,174	(12,048)	4,174	(12,048)
- Fair value gain on cash flow hedge	2,880	1,569	2,880	1,569
Total comprehensive income for the period	28,677	14,549	28,677	14,549
Profit for the period attributable to:				
Owners of the Company	11,868	15,061	11,868	15,061
Non-controlling interests	9,755	9,967	9,755	9,967
	21,623	25,028	21,623	25,028
Total comprehensive income attributable to:				
Owners of the Company	16,823	7,699	16,823	7,699
Non-controlling interests	11,854	6,850	11,854	6,850
	28,677	14,549	28,677	14,549
EBITDA	28,762	41,489	28,762	41,489
Earnings per share				
- Basic (Sen)	1.56	1.97	1.56	1.97

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2021**

	Note	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		207,713	201,133
Intangible assets		92,041	92,592
Investment in associates		826	886
Contract assets	A13	963,598	956,577
Total non-current assets		1,264,178	1,251,188
Current assets			
Contract assets	A13	1,034,140	934,641
Inventories		24,032	21,635
Trade receivables	A14	192,432	217,236
Other receivables, deposits and prepayments		100,473	66,161
Amount due from associate		217	150
Tax recoverable		10,610	10,991
Fixed deposits with licensed institutions		27,329	17,890
Cash and bank balances		111,624	184,440
Total current assets		1,500,857	1,453,144
Total assets		2,765,035	2,704,332

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2021 (CONT'D)**

	Note	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		212,672	212,672
Treasury shares		(2,345)	(2,345)
Reserves		(43,111)	(48,066)
Retained earnings		431,158	419,290
		598,374	581,551
Perpetual SUKUK		48,550	48,550
Non-controlling interests		143,465	131,611
Total equity		790,389	761,712
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		26,458	27,805
Lease liabilities	A16	11,023	10,964
Loans and borrowings	A16	795,338	757,857
Deferred tax liabilities		3,743	3,573
Trade payables		-	4,045
Total non-current liabilities		836,562	804,244
Current liabilities			
Contract liabilities	A13	-	3,089
Trade payables		535,474	524,172
Other payables and accruals		109,367	105,046
Lease liabilities	A16	2,200	2,033
Loans and borrowings	A16	479,240	491,866
Tax payable		11,803	12,170
Total current liabilities		1,138,084	1,138,376
Total liabilities		1,974,646	1,942,620
Total equity and liabilities		2,765,035	2,704,332
Net assets per share (Sen)		103.41	99.66
Net assets per share attributable to Owners of the Company (Sen)		78.29	76.09

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 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

	← Attributable to owners of the Company →										
	← Non-distributable						→ Distributable				
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual SUKUK RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2021	212,672	(2,345)	(24,033)	570	8,534	(33,137)	419,290	581,551	48,550	131,611	761,712
Profit for the financial period	-	-	-	-	-	-	11,868	11,868	-	9,755	21,623
Other comprehensive income for the financial period	-	-	2,341	2,614	-	-	-	4,955	-	2,099	7,054
Total comprehensive income for the financial period	-	-	2,341	2,614	-	-	11,868	16,823	-	11,854	28,677
At 30 September 2021	212,672	(2,345)	(21,692)	3,184	8,534	(33,137)	431,158	598,374	48,550	143,465	790,389

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021
(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	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000			
At 1 July 2020	212,672	(918)	(33,825)	8,200	8,534	(33,137)	354,154	515,680	90,451	606,131
Profit for the financial period	-	-	-	-	-	-	15,061	15,061	9,967	25,028
Other comprehensive income/ (expenses) for the financial period	-	-	1,276	(8,598)	-	(40)	-	(7,362)	(3,117)	(10,479)
Total comprehensive income/ (loss) for the financial period	-	-	1,276	(8,598)	-	(40)	15,061	7,699	6,850	14,549
Transactions with owners:										
Treasury shares acquired	-	(833)	-	-	-	-	-	(833)	-	(833)
Gain arising from dilution of equity interest in a subsidiary	-	-	-	-	-	-	7,911	7,911	4,291	12,202
At 30 September 2020	212,672	(1,751)	(32,549)	(398)	8,534	(33,177)	377,126	530,457	101,592	632,049

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 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	3-months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	24,635	33,760
Adjustments for:		
Amortisation of intangible assets	1,213	1,424
Amortisation of unwinding discount of financial liability	403	1,512
Depreciation of property, plant and equipment	3,068	2,861
Fair value loss/(gain) on derivative financial instruments	1,972	(4,087)
Gain on disposal of property, plant and equipment	-	(10)
Interest expense	13,633	13,303
Interest income	(71)	(75)
Finance income arising from concession assets	(11,107)	(11,296)
Finance income arising from contract assets	(3,012)	-
Share of profit of equity-accounted associate	60	(34)
Unrealised (gain)/loss on foreign exchange	(1,649)	7,106
Operating profit before working capital changes	29,145	44,464
Changes in working capital:		
Inventories	(2,396)	6,738
Receivables	(9,508)	(45,295)
Payables	13,147	21,706
Contract customers	(101,876)	(52,427)
Associate	(67)	-
Cash used in operations	(71,555)	(24,814)
Interest received	71	75
Interest paid	(13,633)	(13,303)
Tax refunded	1,000	816
Tax paid	(3,829)	(3,702)
Net cash used in operating activities	(87,946)	(40,928)
INVESTING ACTIVITIES		
Proceeds from utilisation of derivative financial instruments	-	1,548
Purchase of property, plant and equipment	(9,007)	(233)
Proceeds from additional shares issuance in a subsidiary	-	12,202
Net cash (used in)/from investing activities	(9,007)	13,517

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)

	3-months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000
FINANCING ACTIVITIES		
Treasury shares acquired	-	(833)
Placement of fixed deposits with licensed institutions	(9,439)	(1,250)
Drawdown from borrowings	189,798	143,326
Repayment of borrowings	(164,392)	(122,780)
Net cash from financing activities	15,967	18,463
CASH AND CASH EQUIVALENTS		
Net changes	(80,986)	(8,948)
Cash and cash equivalents at beginning of the period	156,841	46,176
Effect of foreign exchange translation	15,117	5,834
Cash and cash equivalents at end of the period	90,972	43,062
Represented by:		
Cash and bank balances	111,624	72,293
Fixed deposits with licensed financial institutions	27,329	9,131
Bank overdrafts	(20,682)	(29,261)
	118,271	52,163
Less: Bank balance pledged to financial institutions	(27,299)	(9,101)
	90,972	43,062

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 2021.

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 2021.

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 associates since the financial year ended 30 June 2021.

The accounting policies and methods of computation adopted by the Group in this condensed financial report are consistent with those adopted in the most recent annual financial report for the year ended 30 June 2021.

Standards issued but not yet effective

The Group has not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Company, its subsidiaries and associates:

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137#	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020 (MFRS 1, 9, 16 and 141)	

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17 and amendments to MFRS 17#	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

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)

Effective for financial periods beginning on or after 1 June 2023:

Amendments to MFRS 112	Income Taxes - Deferred tax related to Assets and Liabilities arising from a Single Transaction
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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

The initial application of the above standards and amendments are not expected to have any financial impacts to the financial statements.

A2. Seasonal or cyclical factors

The Group's operations are not subject 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 30 September 2021.

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 2021.

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 2021.

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

A6. Dividends paid

There were no dividends paid during the current financial quarter ended 30 September 2021.

A7. Changes in composition of the Group

On 2nd August 2021, PESTECH Sdn Bhd, a wholly-owned subsidiary of PESTECH International Berhad, incorporated a 100% owned subsidiary, PESTECH GTI Sdn Bhd with paid up capital of RM1.00.

PESTECH Aerotrains Sdn Bhd, a wholly owned subsidiary of PESTECH Power Sdn Bhd, was being transferred to PESTECH Technology Sdn Bhd ("PTSB") and became the 100% owned subsidiary of PTSB effective from 10 November 2021.

Other than the above, there were no other changes to the composition of the group during the quarter under review.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 September 2021.

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 its products and services, which comprises the following:

	← Results for the quarter ended 30 September 2021 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	207,077	736	-	207,813
Inter-segment	4,503	99,384	22,001	(125,888)	-
Total revenue	4,503	306,461	22,737	(125,888)	207,813
Finance income	2,578	18,821	22	(7,231)	14,190
Finance costs	(2,005)	(18,792)	(339)	7,100	(14,036)
Net finance (expenses)/income	573	29	(317)	(131)	154
Segment profit/(loss) before tax	(496)	30,323	(1,719)	(3,473)	24,635
Segment profit/(loss) after tax	(884)	27,699	(1,719)	(3,473)	21,623

	← Results for the quarter ended 30 September 2020 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	246,238	2,604	-	248,842
Inter-segment	1,270	74,714	3,108	(79,092)	-
Total revenue	1,270	320,952	5,712	(79,092)	248,842
Finance income	-	11,371	-	-	11,371
Finance costs	(691)	(13,971)	(153)	-	(14,815)
Net finance expenses	(691)	(2,600)	(153)	-	(3,444)
Segment profit/(loss) before tax	(2,089)	44,469	(1,064)	(7,556)	33,760
Segment profit/(loss) after tax	(2,089)	35,747	(1,064)	(7,566)	25,028

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 its products and services, which comprises the following (Cont'd):

	← Results for the period ended 30 September 2021 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	207,077	736	-	207,813
Inter-segment	4,503	99,384	22,001	(125,888)	-
Total revenue	4,503	306,461	22,737	(125,888)	207,813
Finance income	2,578	18,821	22	(7,231)	14,190
Finance costs	(2,005)	(18,792)	(339)	7,100	(14,036)
Net finance (expenses)/income	573	29	(317)	(131)	154
Segment profit/(loss) before tax	(496)	30,323	(1,719)	(3,473)	24,635
Segment profit/(loss) after tax	(884)	27,699	(1,719)	(3,473)	21,623
	← Results for the period ended 30 September 2020 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	246,238	2,604	-	248,842
Inter-segment	1,270	74,714	3,108	(79,092)	-
Total revenue	1,270	320,952	5,712	(79,092)	248,842
Finance income	-	11,371	-	-	11,371
Finance costs	(691)	(13,971)	(153)	-	(14,815)
Net finance expenses	(691)	(2,600)	(153)	-	(3,444)
Segment profit/(loss) before tax	(2,089)	44,469	(1,064)	(7,556)	33,760
Segment profit/(loss) after tax	(2,089)	35,747	(1,064)	(7,566)	25,028

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

A10. Tax expense

	Current year quarter 30 Sep 2021 RM'000	Preceding year corresponding quarter 30 Sep 2020 RM'000	Current Period 30 Sep 2021 RM'000	Preceding year corresponding period 30 Sep 2020 RM'000
Tax expense	(3,012)	(8,732)	(3,012)	(8,732)

Tax is calculated at Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The Group's effective tax rate is lower than the statutory tax rate in current financial period mainly due to the tax exemption obtained by certain overseas subsidiaries.

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 2021	Preceding year corresponding quarter 30 Sep 2020	Current Period 30 Sep 2021	Preceding year corresponding period 30 Sep 2020
Profit attributable to owners of the Company (RM'000)	11,868	15,061	11,868	15,061
Weighted average number of ordinary shares outstanding ('000)	761,172	763,032	761,172	763,032
Basic earnings per share (Sen)	1.56	1.97	1.56	1.97

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 period, the Group acquired property, plant and equipment amounting to RM9.0 million, of which RM6.9 million pertaining to the addition of Bavet project and the remaining pertaining to the purchase of computers and motor vehicles.

A13. Contract assets

Contract assets

Contract assets from a customer on concession arrangement
Contract assets from customers on construction contracts

Presented by:

Non-current
Current

Contract liabilities

Contract liabilities from customers on construction contracts

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
	534,734	532,455
	1,463,004	1,358,763
	1,997,738	1,891,218
	963,598	956,577
	1,034,140	934,641
	1,997,738	1,891,218
	-	3,089

A14. Trade receivables

The trade receivables of the Group were as follows:

Trade receivables
Retention sums on contracts

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
	87,541	97,502
	104,891	119,734
	192,432	217,236

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 2021 RM'000	Unaudited as at 30 Sep 2020 RM'000
Cash and bank balances	111,624	72,293
Short-term deposits with licensed institutions	27,329	9,131
Bank overdrafts	(20,682)	(29,261)
	118,271	52,163

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	11,023	10,964
Term loans	795,338	757,857
	806,361	768,821
Current liabilities		
Secured:		
Lease liabilities	2,200	2,033
Term loans	107,458	98,132
Bank overdrafts	20,682	27,629
Banker acceptances	25,454	39,873
Trust receipts	140,831	146,022
Revolving credit	184,815	180,210
	481,440	493,899
	1,287,801	1,262,720

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

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
Ringgit Malaysia	373,925	400,764
United States Dollar	913,314	858,075
Chinese Yuan Renminbi	562	-
Euro	-	3,881
	1,287,801	1,262,720

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 year reported

On 26 October 2021, the Company recommended a final single-tier dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2021. This was approved by the shareholders at the Annual General Meeting held on 25 November 2021.

On 22 November 2021, the Company announced that its wholly-owned subsidiary, PESTECH Sdn Bhd had on 19 November 2021, received a Notice of Award from National Grid Corporation of the Philippines ("NGCP") for the contract in relation to South Luzon Substations Upgrading Project 2 at a total contract value of USD23,460,000 and Philippines Pesos 710,756,760 for Offshore and Onshore portions respectively, equivalent to approximately RM157,170,000 in total.

A18. Financial guarantees

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

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
Secured outstanding as at:		
Lease liabilities of the Group	13,223	12,997
Loan and borrowings of subsidiaries	1,224,734	1,199,034

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

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

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
Approved and contracted for:		
Acquisition of a motor vehicle	2,406	2,406
Approved and not contracted for:		
Acquisition of a land	6,808	6,808

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

A20. Significant related party transactions

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

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 30 June 2021 RM'000
Related parties by virtue of common directors and key senior management: Purchased of material and services rendered	711	10,808

**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 2021 RM'000	Preceding year corresponding quarter 30 Sep 2020 RM'000	Changes	
			RM'000	%
Revenue	207,813	248,842	(41,029)	-16%
Profit before tax ("PBT")	24,635	33,760	(9,125)	-27%
Profit after tax ("PAT")	21,623	25,028	(3,405)	-14%

The Group registered a revenue of RM207.8 million for current quarter under review as compared to RM248.8 million for the preceding year corresponding quarter. The Group revenue reflects the stage of projects progress during the quarter under review.

The Group recorded profit before tax of RM24.6 million as compared to RM33.8 million for the preceding year corresponding quarter. The PBT margin for the quarter under review and preceding year corresponding quarter were 12% and 14% respectively.

The Group recorded profit after tax of RM21.6 million as compared to RM25.0 million for the preceding year corresponding quarter. The PAT margin for the quarter under review and preceding year corresponding quarter were 10%. The PAT margins are within our expectation.

**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 2021 RM'000	Immediate preceding quarter 30 Jun 2021 RM'000	Changes	
			RM'000	%
Revenue	207,813	231,928	(24,115)	-10%
Profit before tax ("PBT")	24,635	40,111	(15,476)	-39%
Profit after tax ("PAT")	21,623	41,624	(20,001)	-48%

The Group recorded revenue of RM207.8 million for current quarter under review as compared to RM231.9 million for the immediate preceding quarter.

Profit before tax for the current quarter under review was recorded at RM24.6 million as compared to RM40.1 million for the immediate preceding quarter. The PBT margin for the quarter under review and immediate preceding quarter were 12% and 17% respectively.

The Group recorded profit after tax of RM21.6 million as compared to RM41.6 million for the immediate preceding quarter. The PAT margin for the quarter under review and immediate preceding quarter were 10% and 18% respectively. The PAT margins are within our expectation.

**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 2021 RM'000	Preceding year corresponding quarter 30 Sep 2020 RM'000	Current period 30 Sep 2021 RM'000	Preceding year corresponding period 30 Sep 2020 RM'000
Amortisation of intangible assets	1,213	1,424	1,213	1,424
Amortisation of unwinding discount of financial liability	403	1,512	403	1,512
Depreciation of property, plant and equipment	3,068	2,861	3,068	2,861
Fair value loss/(gain) on derivative financial instruments	1,972	(4,087)	1,972	(4,087)
Gain on disposal of property, plant and equipment	-	(10)	-	(10)
Interest expense	13,633	13,303	13,633	13,303
Interest income	(71)	(75)	(71)	(75)
Finance income arising from concession assets	(11,107)	(11,296)	(11,107)	(11,296)
Finance income arising from contract assets	(3,012)	-	(3,012)	-
Unrealised (gain)/loss on foreign exchange	(1,649)	7,106	(1,649)	7,106

B3. Prospects

The Group started off the financial year (“FY”) 2022 with consistent financial performance, delivering PAT margin of circa 10% amidst lingering negative influence of the pandemic around the region.

Albeit persistent new COVID-19 cases being reported in various countries globally, improving inoculation rate, especially amongst the Southeast Asia countries, government of ASEAN started to devise a series of measures aiming for reopening of borders and normalisation of business activities. As such, we foresee a better FY 2022 and FY 2023 should this trend of normalisation can endure and encourage better trade activities regionally.

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

B3. Prospects (Continued)

The Group is cautiously confident on the quarter-to-quarter performance going forward, as it is supported by order book of RM1.58 billion as at 30 September 2021, which translates into about 7.6 times book to bill ratio. This indicates that we are able to sustainably navigate forward for at least 7 – 8 quarters, assuming no new orders will be procured along the way, which is utterly not probable.

As such, the management envisage that there will be positive demand for both new and upgrades of electrical infrastructure, fuelling especially by the sustainability agenda of nations in the region. The outlook of the industry remains robust, whilst remaining riveted towards timely execution of jobs in hand in order to deliver consistently positive performance to its stakeholders.

B4. Profit forecast and profit guarantee

There were no profit forecasts or profit guarantees in any public document by the Group.

B5. Corporate Proposal

On 30 August 2021, the Company had announced to undertake the following Proposals:-

I. Proposed Bonus Issue of Shares

An issuance of 191,073,393 new ordinary shares in the Company ("PESTECH Shares")("Bonus Shares") on the basis of two (2) bonus shares for every eight (8) existing PESTECH Shares held on an entitlement date to be determined and announced later ("Entitlement Date"); and

II. Proposed Bonus Issue of Warrants

An issuance of up to 95,536,696 warrants ("Warrant(s)") on the basis of one (1) warrant for every eight (8) existing PESTECH Shares held on the Entitlement Date.

An application in relation to the Proposals have been submitted to Bursa Securities on 4 October 2021.

On 18 October 2021, the Company announced that Bursa Securities had granted approval the following:-

- I. Listing and quotation of Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- II. Admission to the Official List of Bursa Securities and listing and quotation of up to 95,536,696 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- III. Listing and quotation of up to 95,536,696 new ordinary shares to be issued pursuant to the exercise of the Warrants.

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

B5. Corporate Proposal (Cont'd)

These Proposals were approved by the shareholders of the Company at the Extraordinary General Meeting held on 25 November 2021. As at the date of this report, all necessary approvals for the Proposals had been obtained.

B6. Material litigation

There were no material litigations as at the date of issuance of this quarterly report.

B7. Dividends

There were no dividends declared during the current financial quarter under review.

B8. Auditors' report

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 30 June 2021.

B9. Authorisation for issue

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