PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2026

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

CONTENTS	**PAGES**

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services whilst the subsidiaries are involved in the engineering, construction, commissioning and management of infrastructure assets and facilities.

The principal activities of subsidiaries and their locations are detailed in Note 6 to the financial statements. There has been no significant changes in the nature of these principal activities.

FINANCIAL RESULTS

In summary, the financial results recorded by the Group and the Company for the year under review are as follows:

	Group RM'000	**Company RM'000**
Profit for the financial year	90,060	32,717
Attributable to:		
Owners of the Company	81,929	
Perpetual SUKUK-holders	12,266	
Non-controlling interests	(4,135)	
	90,060	

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company had on 13 June 2025 allotted 231,789,037 new ordinary shares at RM0.12 per share for a total cash consideration of RM27,814,684 through a restricted issue. The proceeds were utilised to repay certain bank borrowings and to support operational working capital requirements. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares issued by the Company.

The Company did not issued any debentures during the financial year.

TREASURY SHARES

During the financial year, there were no repurchases of the Company's issued ordinary shares, resale, and cancellation or distribution of treasury shares. As at 31 March 2026, the Company held 7,666,100 treasury shares out of its 2,325,556,471 issued and paid-up ordinary shares. Details of the treasury shares are set out in Note 16 to the financial statements.

WARRANTS 2021/2028

The Company had on 16 December 2021 allotted and issued 95,145,862 bonus warrants on the basis of one (1) warrant for every eight (8) existing ordinary shares. Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 16 December 2024 to 15 December 2028, at an exercise price of RM0.65 in accordance with the provision of the deed poll. Any warrant that has not been exercised by the date of maturity will lapse and cease to be valid.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

None of the entitlements of the Warrants 2021/2028 have been exercised since the date of issuance.

EMPLOYEES' SHARE OPTION SCHEME

On 27 October 2023, the Company held an Extraordinary General Meeting to approve a proposal of employees' share option scheme ("ESOS") up to 5% of the total number of ordinary shares issued by the Company (excluding treasury shares) at any point in time during the duration of the Proposed ESOS for the eligible directors and employees of the Group (excluding dormant subsidiaries, if any.)

The ESOS shall be in force for a period of 5 years from the effective date on 8 March 2024 and upon the recommendation of the ESOS Committee it is extendable up to another period of 5 years effective immediately from the expiry of the 5 years and shall not in aggregate exceed a duration of 10 years from the effective date.

There were no options granted by the Company during the financial year ended 31 March 2026.

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Mohd Zuki Bin Ali *(Independent Non-Executive Chairman)*
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai *(Group Executive Director)*
Datuk Mohamed Razeek Bin Md Hussain Maricar *(Group Managing Director)* *
Dato' Wee Yiaw Hin @ Ong Yiaw Hin *(Non-Independent Non-Executive Director)*
Roza Shahnaz Binti Omar *(Non-Independent Executive Director)*
Masnizam Binti Hisham *(Non-Independent Executive Director)*
Haymandhra Pillai A/L Subramaniam Pillai *(Alternate Director to Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai) (appointed on 25 May 2026)*
Nazeera Binti Alias *(Independent and Non-Executive Director) (appointed on 23 July 2026)*
Dato' Harjit Singh A/L Gurdev Singh *(Non-Independent and Non-Executive Director) (resigned on 19 June 2025)*
Lim Ah Hock *(Non-Independent Non-Executive Director) (resigned on 27 August 2025)*
Lim Pay Chuan *(Non-Independent Non-Executive Director) (resigned on 27 August 2025)*
Helen Tan Miang Kieng *(Independent Non-Executive Director) (resigned on 4 September 2025)*

* *Director of the Company and a subsidiary*

The Directors of the subsidiaries who held office during the financial year and up to the date of this report, not including those Directors listed above, are as follows:

Jifri bin Abd Hamid
Tann Sochan
Dav Ansan
Daw Kaung Mon San
Hairol Addy Nizam bin Hashim
Han Fatt Juan
Keith Iduhu
Oknha Vinh Huor
U Min Banyar San
Wing Kevin
Lawrence Pure
Marth Boafo
Datuk Shaharuddin Bin Md Som *(appointed on 7 May 2025)*
Manindar Singh Chawla *(appointed on 7 May 2025)*
Pan Seng Wee *(resigned on 13 May 2025)*

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares and warrants of the Company and its related corporations of those who were Directors as at the year-end are as follows:

	Number of ordinary shares in the Company			
	At 1.4.2025	Additions	Disposals	At 31.3.2026
The Company				
Direct interests				
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	7,872,500	-	7,872,500
Indirect interests				
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai^	1,333,335,000	231,789,037	-	1,565,124,037
Datuk Mohamed Razeek bin Md Hussain Maricar^	1,333,335,000	231,789,037	-	1,565,124,037

(^) deemed interest by virtue of his shareholdings in Dhaya Maju Infrastructure (Asia) Sdn. Berhad

	Number of ordinary shares in Dhaya Maju Infrastructure (Asia) Sdn. Berhad			
	At 1.4.2025	Additions	Disposals	At 31.3.2026
Ultimate Holding Company				
Direct interests				
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	37,500,000	-	-	37,500,000
Datuk Mohamed Razeek bin Md Hussain Maricar	21,000,000	-	-	21,000,000

By virtue of their interests in the ordinary shares of the Company, Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai and Datuk Mohamed Razeek bin Md Hussain Maricar, are also deemed to be interested in the ordinary shares of the Company and its related corporations to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as stated above, none of the other Directors in the office at the end of the financial year have any interest in the ordinary shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' FEES AND BENEFITS

The aggregate remuneration received by the Directors of the Group and the Company during the financial year ended 31 March 2026 were as follows:

	Group RM'000	Company RM'000
Executive Directors:		
Salaries and other emoluments	499	392
Defined contribution plan	39	39
Social security contributions	1	1
	539	432
Non-Executive Directors:		
Fees	569	405
Salaries and other emoluments	236	202
	805	607
Total	1,344	1,039

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors for the Company and its related corporation as shown in the Directors' Report and the financial statements of the Company) by reason of a contract made by the Company or any related corporation with the Director or with a firm of which he/she is a member, or with a company or any related corporation in which the Director has a substantial financial interest, other than those disclosed in Note 32.2 to the financial statements.

INDEMNITY AND INSURANCE COSTS FOR DIRECTORS AND OFFICERS

On 11 April 2026, the Company procured Directors' and Officers' Liability Insurance for Directors and Officers of the Group. The total amount of indemnity coverage and insurance premium amounted to RM10 million and RM92,350 respectively.

INDEMNITY AND INSURANCE COSTS FOR AUDITORS

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial year and up to the date of this report. There were no insurance effected for its auditors.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

(a) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due, other than as disclosed in the financial statements;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Directors regard Dhaya Maju Infrastructure (Asia) Sdn. Berhad as the immediate and ultimate holding company which is incorporated and domiciled in Malaysia.

SIGNIFICANT AND SUBSEQUENT EVENTS DURING THE FINANCIAL YEAR

The details of significant and subsequent events during the financial year are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Nexia SSY PLT, have expressed their willingness to continue in office.

The total amount of audit and other fees paid or payable to the Auditors by the Group and the Company for the financial year ended 31 March 2026 amounted to RM685,000 and RM218,000 respectively. Further details are disclosed in Note 25 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 31 July 2026.

…………………………………………………..
TAN SRI DATO' SERI MOHD ZUKI BIN ALI)

) DIRECTORS

…………………………………………………..)
DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR

PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	153,909	174,515	374	360
Intangible assets	5	-	-	-	-
Investment in subsidiaries	6	-	-	92,154	92,154
Investment in associates	7	-	-	-	-
Contract assets	9	536,449	542,983	-	-
Amount due from subsidiaries	13	-	-	-	225,584
Total non-current assets		690,358	717,498	92,528	318,098
Current assets					
Contract assets	9	535,830	635,878	-	-
Inventories	10	54,675	56,843	-	-
Trade receivables	11	118,702	184,826	-	-
Other receivables	12	48,857	48,420	56	56
Amount due from immediate and ultimate holding company	13	11,996	27,981	-	-
Amount due from subsidiaries	13	-	-	292,044	37,535
Amount due from associates	13	13,263	6,874	-	-
Tax recoverable		1,484	3,671	127	-
Cash and short-term deposits	14	71,152	176,272	1,002	103,760
Total current assets		855,959	1,140,765	293,229	141,351
Total assets		1,546,317	1,858,263	385,757	459,449
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	420,757	392,942	420,757	392,942
Treasury shares	16	(4,183)	(4,183)	(4,183)	(4,183)
Reserves	17	14,496	8,294	-	-
Accumulated losses		(168,399)	(250,328)	(246,571)	(267,022)
Equity attributable to owners of the Company		262,671	146,725	170,003	121,737
Perpetual SUKUK	18	82,000	82,000	82,000	82,000
Non-controlling interests	6.2	7,557	15,997	-	-
Total equity		352,228	244,722	252,003	203,737

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2026 (CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
LIABILITIES					
Non-current liabilities					
Derivative financial instruments	8	1,143	1,673	-	-
Lease liabilities	19	7,328	8,733	-	-
Loans and borrowings	20	121,723	320,122	-	-
Deferred tax liabilities	21	4,726	5,413	-	-
Trade payables	22	-	61,416	-	-
Other payables	23	44,668	48,929	-	-
Total non-current liabilities		179,588	446,286	-	-
Current liabilities					
Contract liabilities	9	4,841	10,359	-	-
Trade payables	22	390,196	373,028	-	-
Other payables	23	114,936	139,720	6,683	20,529
Amount due to immediate and ultimate holding company	13	-	-	5,706	269
Amount due to subsidiaries	13	-	-	89,806	130,705
Lease liabilities	19	529	417	-	-
Loans and borrowings	20	503,778	639,894	31,559	101,575
Tax payable		221	3,837	-	2,634
Total current liabilities		1,014,501	1,167,255	133,754	255,712
Total liabilities		1,194,089	1,613,541	133,754	255,712
Total equity and liabilities		1,546,317	1,858,263	385,757	459,449

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Group		Company	
	Note	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Revenue	24	291,146	591,994	15,265	23,345
Operating expenses	25	(327,209)	(599,221)	(15,746)	(25,752)
Other operating income	26	204,525	16,026	41,811	16
Impairment losses on financial assets		-	(256,298)	-	(143,898)
Other losses	27	(34,312)	(10,814)	(4,111)	(123,449)
Operating profit/(loss)		134,150	(258,313)	37,219	(269,738)
Share of loss of equity-accounted associate		-	(898)	-	-
Profit/(Loss) before interest and tax		134,150	(259,211)	37,219	(269,738)
Finance income	28	18,369	46,728	18	35,661
Finance costs	28	(59,730)	(121,151)	(3,112)	(20,079)
Profit/(Loss) before tax		92,789	(333,634)	34,125	(254,156)
Tax expense	29	(2,729)	(5,890)	(1,408)	(3,178)
Profit/(Loss) for the year/period		90,060	(339,524)	32,717	(257,334)
Other comprehensive income/(loss):					
Items that will be reclassified subsequently to profit or loss					
- Exchange translation differences		1,655	(10,084)	-	-
- Fair value gain/(loss) on cash flows hedge		242	(4,012)	-	-
Total comprehensive income/(loss) for the financial year/period		91,957	(353,620)	32,717	(257,334)

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	Note	Group 1.4.2025 To 31.3.2026 RM'000	Group 1.10.2023 To 31.3.2025 RM'000
Profit/(Loss) for financial year/period attributable to:			
Owners of the Company		81,929	(341,506)
Perpetual SUKUK-holders		12,266	18,166
Non-controlling interests		(4,135)	(16,184)
		90,060	(339,524)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		88,131	(352,183)
Perpetual SUKUK-holders		12,266	18,166
Non-controlling interests		(8,440)	(19,603)
		91,957	(353,620)
Earnings/(loss) per share attributable to the owners of the Company:			
Basic earnings/(loss) per share (RM)	30	0.03	(0.28)
Diluted earnings/(loss) per share (RM)	30	0.03	(0.28)

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	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 deficit RM'000**	**Retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**	**Perpetual SUKUK RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group											
At 1 October 2023	232,942	(4,183)	1,239	42,335	8,534	(33,137)	91,178	338,908	100,000	35,600	474,508
(Loss)/Profit for the financial period	-	-	-	-	-	-	(341,506)	(341,506)	18,166	(16,184)	(339,524)
Other comprehensive loss for the financial period	-	-	(3,859)	(6,818)	-	-	-	(10,677)	-	(3,419)	(14,096)
Total comprehensive (loss)/income for the financial period	-	-	(3,859)	(6,818)	-	-	(341,506)	(352,183)	18,166	(19,603)	(353,620)
Transactions with owners:											
Dividend paid to ordinary shareholders	160,000	-	-	-	-	-	-	160,000	-	-	160,000
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(18,166)	-	(18,166)
Redemption Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(18,000)	-	(18,000)
At 31 March 2025	392,942	(4,183)	(2,620)	35,517	8,534	(33,137)	(250,328)	146,725	82,000	15,997	244,722

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	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 deficit RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Perpetual SUKUK RM'000	Non-controlling interests RM'000	Total equity RM'000
Group											
At 1 April 2025	392,942	(4,183)	(2,620)	35,517	8,534	(33,137)	(250,328)	146,725	82,000	15,997	244,722
Profit/(Loss) for the financial year	-	-	-	-	-	-	81,929	81,929	12,266	(4,135)	90,060
Other comprehensive income/(loss) for the financial year	-	-	228	5,974	-	-	-	6,202	-	(4,305)	1,897
Total comprehensive income/(loss) for the financial year	-	-	228	5,974	-	-	81,929	88,131	12,266	(8,440)	91,957
Transactions with owners:											
Issuance of shares pursuant to restricted issue	27,815	-	-		-	-	-	27,815	-	-	27,815
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(12,266)	-	(12,266)
Redemption Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	420,757	(4,183)	(2,392)	41,491	8,534	(33,137)	(168,399)	262,671	82,000	7,557	352,228

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	Share capital RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated losses) RM'000	Perpetual SUKUK RM'000	Total RM'000
Company					
At 1 October 2023	232,942	(4,183)	8,478	100,000	337,237
Total comprehensive (loss)/income for the financial period	-	-	(275,500)	18,166	(257,334)
Transaction with owners:					
Issuance of shares pursuant to restricted issue	160,000	-	-	-	160,000
Redemption Perpetual SUKUK-holders	-	-	-	(18,000)	(18,000)
Distribution to Perpetual SUKUK-holders	-	-	-	(18,166)	(18,166)
At 31 March 2025	392,942	(4,183)	(267,022)	82,000	203,737
Total comprehensive income for the financial year	-	-	20,451	12,266	32,717
Transaction with owners:					
Issuance of shares pursuant to restricted issue	27,815	-	-	-	27,815
Distribution to Perpetual SUKUK-holders	-	-	-	(12,266)	(12,266)
At 31 March 2026	420,757	(4,183)	(246,571)	82,000	252,003

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	Group		Company	
		1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
OPERATING ACTIVITIES					
Profit/(Loss) before tax		92,789	(333,634)	34,125	(254,156)
Adjustments for:					
Bad debts written off		-	2,239	-	-
Fair value loss/(gain) on derivative financial instruments		29	(4,289)	-	-
Amortisation of unwinding discount of financial liability		4,736	-	-	-
Impairment of investment in subsidiaries		-	-	-	124,868
Impairment of amount due from subsidiaries		-	-	-	143,898
Impairment of amount due from associate		-	1,485	-	-
(Reversal)/Impairment of receivables		(470)	24,458	-	-
Impairment of contract assets		-	230,355	-	-
Written down of inventories		-	500	-	-
Fair value loss from contract modification		-	14,143	-	-
Gain on lease termination		(5)	(151)	-	-
Gain arising from disposal of subsidiaries		-	(17,588)	-	(524)
Interest expense		54,994	121,151	3,112	20,079
Interest income		(577)	(12,761)	(18)	(35,661)
Interest income arising from contract with customers		(17,792)	(33,967)	-	-
Property, plant and equipment - depreciation		11,054	19,787	157	226
Property, plant and equipment - gain on disposal		-	(1,617)	-	-
Property, plant and equipment - written off		-	534	-	-
Other operating income		(201,995)	-	(39,430)	-
Share of loss of equity-accounted associate		-	898	-	-
Unrealised loss/(gain) on foreign exchange		28,847	17,270	3,888	(906)
Operating (loss)/profit before working capital changes		(28,390)	28,813	1,834	(2,176)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

		Group		Company	
	Note	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Changes in working capital:					
Inventories		(1,052)	(30,086)	-	-
Receivables		76,389	41,136	-	266
Payables		(41,774)	(172,941)	(19,980)	2,077
Contract customers		15,384	292,767	-	-
Associates		(6,389)	(4,846)	-	-
Ultimate holding company		-	(27,981)	-	-
Cash generated from operations		14,168	126,862	(18,146)	167
Interest received		577	1,791	18	35,661
Interest paid		(54,994)	(117,924)	(3,112)	(20,079)
Tax refunded		-	624	-	-
Tax paid		(4,402)	(5,299)	(4,169)	(474)
Net cash (used in)/generated from operating activities		(44,651)	6,054	(25,409)	15,275
INVESTING ACTIVITIES					
Redemption of derivative financial instruments		-	(463)	-	-
(Advances to)/repayment from subsidiaries		-	-	-	(42,812)
Purchase of property, plant and equipment	A	(251)	(222)	(171)	(27)
Proceeds from disposals of property, plant and equipment		-	8,593	-	-
Proceeds from disposal of subsidiaries, net of cash disposal		-	702	-	2,448
Net cash (used in)/generated from investing activities		(251)	8,610	(171)	(40,391)

The accompanying notes form an integral part of the financial statements

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	Note	Group 1.4.2025 to 31.3.2026 RM'000	Group 1.10.2023 to 31.3.2025 RM'000	Company 1.4.2025 to 31.3.2026 RM'000	Company 1.10.2023 to 31.3.2025 RM'000
FINANCING ACTIVITIES					
Advances from Directors		-	-	-	1,650
Advances from immediate and ultimate holding company		-	-	5,437	269
Distribution to Perpetual SUKUK-holders		(6,133)	(18,166)	(6,133)	(18,166)
Redemption of Perpetual SUKUK-holders		-	(18,000)	-	(18,000)
Drawdown of trust receipts/project financial facility		16,077	-	-	-
Repayment of trust receipt/project financing facility		(42,790)	-	(33,853)	-
Repayments to related subsidiaries	B	-	-	(69,823)	(8,452)
Net proceeds from issuance of share pursuant to restricted issue		27,815	160,000	27,815	160,000
Net drawdown/(repayments) of short-term borrowings	B	(14,631)	28,799	-	(18,637)
Withdrawal/(Placement) of fixed deposits and debt service reserve accounts with licensed institutions		35,752	60,608	30,252	(547)
Placement of redemption and debt service reserve accounts		(34,621)	-	-	-
Drawdown from term loans	B	(2,178)	22,760	-	-
Repayments of term loans	B	(45,143)	(131,678)	-	-
Repayments of lease liabilities	B	(542)	(994)	-	(27)
Net cash (used in)/generated from financing activities		(66,394)	103,329	(46,305)	98,090
CASH AND CASH EQUIVALENTS					
Net changes		(111,296)	117,993	(71,885)	72,974
Brought forward		121,925	6,188	72,094	(880)
Effects of translation differences		(2,375)	(2,256)	-	-
Carried forward	C	8,254	121,925	209	72,094

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Aggregate cost of property, plant and equipment acquired	251	877	171	27
Financed via lease liabilities arrangements	-	(655)	-	-
Total cash acquisition	251	222	171	27

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2026	**At 1.4.2025 RM'000**	**Cash flows RM'000**	**Others RM'000**	**At 31.3.2026 RM'000**
Group				
Borrowings	315,844	(14,631)	(212,179) [a]	89,034
Term loans	633,294	(47,321) [c]	(77,708) [a]	508,265
Lease liabilities	9,150	(542)	(751) [b]	7,857
Company				
Amount due to related subsidiaries	130,705	(69,823)	28,924	89,806
Amount due to immediate and ultimate holding company	269	5,437	-	5,706
Borrowings	65,954	(33,853)	(542) [a]	31,559
Term loans	35,000	-	(35,000)	-

PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

2025	At 1.10.2023 RM'000	Cash flows RM'000		Others RM'000		At 31.3.2025 RM'000
Group						
Borrowings	291,879	28,799		(4,834)	(a)	315,844
Term loans	777,428	(108,918)	(c)	(35,216)	(a)	633,294
Lease liabilities	11,756	(994)		(1,612)	(b)	9,150
Company						
Amount due to subsidiaries	139,157	(8,452)		-		130,705
Amount due to immediate and ultimate holding company	-	269		-		269
Borrowings	87,702	(18,637)		(3,111)	(a)	65,954
Term loans	35,000	-		-		35,000
Lease liabilities	27	(27)		-		-

(a) Being exchange translation differences and unrealised foreign exchange and other operating income arising from waiver of debt from scheme creditor.

(b) Being acquisition of property, plant and equipment by means of lease liabilities arrangement, lease termination and translation reserve (as disclosed in Note 19 to the financial statements).

(c) The amount is net of drawdown and repayment during the financial year/period.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Cash and bank balances	61,621	130,988	209	72,715
Fixed deposits with licensed institutions	9,531	45,284	793	31,045
Bank overdrafts (Note 20)	(20,558)	(10,878)	-	(621)
	50,594	165,394	1,002	103,139
Less:				
- Fixed deposits pledged to licensed institutions	(8,753)	(8,952)	(793)	(31,045)
- Debt service reserve accounts, included in cash and bank balances	(33,587)	(34,517)	-	-
	8,254	121,925	209	72,094

D. CASH OUTFLOWS FROM LEASES AS A LESSEE

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Included in net cash (used in)/generated from operating activities:				
- Interest paid in related to lease liabilities	554	1,071	-	-
- Payment of short-term leases	1,881	3,731	923	923
Included in net cash from financing activities:				
- Payment of lease liabilities	542	994	27	27
	2,977	5,796	950	950

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The Directors regard Dhaya Maju Infrastructure (Asia) Sdn. Berhad as the immediate and ultimate holding company which is incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business of the Company are as follows:

Wisma Masyhur,
45, Jalan Medan Setia 1,
Bukit Damansara,
50490 Kuala Lumpur
Malaysia

The financial statements were authorised for the issue by the Board of Directors in accordance with a resolution of the Directors on 31 July 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair value attributable to the risks that are being hedged in effective hedge relationships.

2. BASIS OF PREPARATION (CONT'D)

2.3 Financial position of the Group

A subsidiary of the Group in Cambodia has borrowings amounting to RM198.7 million as at 31 March 2026, which were subject to certain financial covenant breaches as at the reporting date. As a consequence of the covenant breaches, the affected borrowings have been classified as current liabilities in accordance with the applicable financial reporting requirements. Consequently, as at 31 March 2026, the Group's current liabilities exceeded its current assets by approximately RM158.5 million, with current liabilities and current assets amounting to RM1,014.5 million and RM856.0 million respectively. Excluding the effect of the covenant-related reclassification, the Group would have reported a positive net current assets position.

Management is in discussions with the relevant lenders to obtain the necessary indulgence and/or restructuring arrangements in relation to the covenant breaches. As at the date of approval of these financial statements, the lenders have not exercised their contractual rights to demand immediate repayment of the affected borrowings, and the subsidiary has continued to service the borrowings in accordance with the agreed repayment schedules.

In assessing the appropriateness of the going concern basis of preparation, the Directors have considered the Group's overall financial position, including its positive shareholders' equity of approximately RM352.2 million, projected operating cash flows, the commencement of cash inflows from a major project in Cambodia, the Group's available financing arrangements, the ongoing discussions with the relevant lenders, and the continued financial support available from the immediate and ultimate holding company. Based on the Group's cash flow forecasts and the Directors' assessment of the Group's ability to meet its obligations as and when they fall due, the Directors are satisfied that the Group has adequate resources to continue its operations for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's functional currency and all values are rounded to the nearest RM'000 except otherwise stated.

2.5 Adoption of amendments/improvement to MFRS

At the beginning of the current financial year, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2025.

Initial application of the amendments/improvements to the standards did not have a material impact on the financial statements of the Group and of the Company.

2.6 Standards issued but not yet effective

The Group and the Company have 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 Group and the Company:

MFRSs and Amendments to MFRSs effective on or after 1 January 2026

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flows

MFRSs and Amendments to MFRSs effective on or after 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

Deferred to a date to be determined by the MASB:

Amendments to MFRS 10 and 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

The initial application of the above standards/amendments to MFRSs are not expected to have any material impact on the financial statements of the Group and the Company upon adoption, except for MFRS 18 Presentation and Disclosure in financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards issued but not yet effective (cont'd)

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting.

The amendments will have an impact on the Group's and the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group and the Company are currently assessing the impact of MFRS 18 and plan to adopt the new standard on the required effective date.

2.7 Significant accounting estimates and judgements

2.7.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

<u>Useful lives of depreciable assets</u>

Management estimates the useful lives of the property, plant and equipment to be within 3 to 96 years and reviews the useful lives of depreciable assets at end of each of the reporting year.

At 31 March 2026, the management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to changes in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets. The carrying amount of the Group's and the Company's property, plant and equipment at the end of the reporting year is disclosed in Note 4.

A 1% (2025: 1%) difference in the expected useful lives of the property, plant and equipment from the management's estimates would result in approximately 1% (2025: 1%) variance in the Group's loss for the financial year.

<u>Impairment of non-financial assets</u>

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Impairment of non-financial assets (cont'd)

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating units to which the property, plant and equipment, intangible assets and investment in subsidiaries are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Further details of the carrying values, key assumptions applied in the impairment assessment of non-financial assets and sensitivity analysis to changes in the assumptions, if any, are disclosed in the respective notes to the financial statements.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's result to change.

Income tax/Deferred tax liabilities

The Group and the Company are exposed to income taxes. Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies

Revenue and cost recognised from construction contracts

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

2. **BASIS OF PREPARATION (CONT'D)**

2.7 **Significant accounting estimates and judgements (cont'd)**

2.7.1 **Estimation uncertainty (cont'd)**

Revenue and cost recognised from construction contracts (cont'd)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion is measured using the output method, which is based on the level of completion of the development phase of the project as certified by professional engineers or consultants.

Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the power distribution and transmission and rail electrification sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33.2(a) to the financial statements.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Leases – Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and the Company estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.7.2 Significant management judgement

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the amount and timing of revenue from contracts with customers:

Consideration of significant financing component in a contract

The Group provides construction and related services for concession infrastructure and assets where the construction period typically ranges from 1 to 5 years or more. The terms of the contracts provide for the customer or employer of the projects to pay in arrears over a fixed period upon the completion and commencement of commercial operations. Arising from the initial outlay of the project and the subsequent reward is only received upon the commissioning of the concession assets, it is assessed that there is a significant financing component associated with these assets.

In determining the financing component, the Group uses the discount rate that would appropriately reflect financing arrangement between the entity and the customer. The rate applied takes into consideration the credit characteristics of the customer, the provision of collateral and security, country and market risks including subsequent asset transfer.

Value Added Tax (VAT) Refundable

VAT is accounted for on a net basis, and input VAT is recognised as a recoverable asset when the subsidiaries are able to establish their right to refund and the amount measurable. As at the reporting date, the Group has recognised a VAT refundable within trade and other receivables, arising from input VAT incurred by its Cambodian subsidiaries on government-related projects where output VAT was exempted. Based on legal clarification from tax agents, the subsidiaries have a right to claim a refund directly from the Cambodian tax authority when the subsidiaries submitted their refund application. The refundable amount is measured at nominal value, classified as a current asset, and no impairment is provided as full recovery is expected.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Group and the Company apply the material accounting policy information, consistently throughout all periods presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

3.1.2 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

3.1.3 Investment in associate

The Group's investment in associates are accounted for using equity method. Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associates in profit or loss, and the Group's share of movements in other comprehensive income ("OCI") of the associates in OCI.

3.2 Property, plant and equipment

All property, plant and equipment ("PPE") are stated at cost less subsequent depreciation and impairment, except for freehold land, which is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset's carrying amount or are recognised separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss during the financial year in which they are incurred.

Depreciation is recognised on the straight-line method in order to write off the cost. Freehold land with an infinite life is not depreciated. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Long term leasehold land	96 years
Buildings	50 years
Solar power plant	20 years
Renovation	10 years
Tools and equipment	5 – 25 years
Motor vehicles	5 years
Office equipment	3 – 10 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Leases - As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Land and buildings	2 – 22 years
Motor vehicles	5 years
Tools and equipment	5 – 10 years

Short-term leases

The Group and the Company apply the short-term lease recognition exemption to its short-term leases. Lease payments on short-term leases are recognised as operating lease expense on a straight-line basis over the lease term.

3.4 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determine on a first-in, first-out basis. In estimating net realisable values, management takes into account the most realisable evidence available at the time the estimate are made.

3.5 Financial instruments

3.5.1 Financial assets

Financial assets at amortised cost

Financial assets measured at amortised cost include trade and other receivables, amounts due from ultimate holding company, subsidiaries and associate companies, fixed and short term deposits with licensed institutions and cash and bank balances.

3.5.2 Financial liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost include amount due to subsidiaries, loans and borrowings, trade and most of the other payables.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9.

Gains or losses are recognised in the profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Perpetual SUKUK

Perpetual SUKUK are classified as equity instruments. Distributions on Perpetual SUKUK are recognised in equity in the period in which they are declared.

3.7 Concession assets

The Group capitalises revenue from the construction and upgrading of infrastructure project under build-operate-transfer ("BOT") agreement in accordance with the accounting policy for construction contracts set out in Note 3.8.1.

The Group capitalises the consideration receivable as a concession asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Concession assets are accounted for in accordance with the accounting policy of a financial asset set out in Note 3.5.

Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 3.2. Cost and expenditures related to the building of power transmission system are recognised as construction cost in profit or loss in the financial year when incurred.

When the Group has contractual obligations that it must fulfil as a condition of its BOT agreement to maintain the infrastructure to a specified standard or to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it capitalises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 3.10.

Repairs and maintenance and other expenses that are routine in nature are recognised in profit or loss as incurred.

3.8 Revenue

3.8.1 Revenue from contract customer

Revenue from contract customer is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

<u>Construction contracts</u>

The Group's contract revenue is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.8 Revenue (cont'd)

3.8.1 Revenue from contract customer (cont'd)

Construction contracts (cont'd)

Revenue is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, net of discount. The Group's contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to a variable consideration which are estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed.

For contracts with deferred payment scheme, the Group adjusts the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. The significant financing component is recognised as finance income in the profit or loss over the credit period using the effective interest rate applicable at the inception date.

Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group's revenue and profits for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- The customer of the construction contracts simultaneously receives and consumes the benefits provided as the construction service progress.
- The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- The construction service does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is measured using the output method, which is based on the level of completion of the development phase of the project as certified by professional engineers or consultants.

Sale of manufactured goods and construction materials

Sales are recognised based on the transaction prices specified in the contracts, which are at a point in time upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of tax and discounts. There is no element of financing present as the Group's sales of goods are on credit terms which is consistent with the market practice.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Revenue (cont'd)

3.8.1 Revenue from contract customer (cont'd)

Revenue from concession arrangement

Under the concession agreement, the Group is engaged to construct the infrastructure project and provide asset management services, which are separate performance obligations. The fair value of revenue, which is based on fixed price under the agreement have been allocated based on relative stand-alone selling price of the considerations for each of the separate performance obligations. The Group recognised construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for the performance completed to date. The contract assets and contract liabilities for projects under construction are recognised in accordance with the accounting policy in Note 3.9.

Operation and maintenance services income is recognised in the accounting period in which the services are rendered.

3.8.2 Other revenue

Other revenue earned by the Group and the Company are recognised on the following bases:

- Management fee income is recognised when services are rendered.
- Dividend income is recognised when the Company's right to receive payment is established.
- Interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

3.9 Contract balances

(i) Contract assets

The excess of revenue recognised in the profit or loss over the billings to contracts customers is recognised as contract asset. The contract asset related to on-going construction contracts which is expected to be completed within the normal operating cycle is classified as current asset. The contract asset related to completed contracts with deferred payment scheme is classified as non-current asset.

(ii) Contract liabilities

The excess of billings to contracts customers over revenue recognised in the profit or loss is recognised as contract liability.

3.10 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Provisions (cont'd)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Solar power plant RM'000	Renovation RM'000	Tools and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Cost										
At 1 October 2023	10,971	3,937	48,088	115,741	4,913	94,061	5,022	17,415	26,094	326,242
Additions	-	-	-	-	-	38	-	184	655	877
Disposals	(6,972)	-	-	-	-	(403)	(2,224)	(37)	-	(9,636)
Disposal of subsidiaries	-	(2,280)	(1,784)	-	-	-	-	(377)	-	(4,441)
Lease termination	-	-	-	-	-	-	-	-	(4,587)	(4,587)
Written off	-	-	-	-	(670)	(236)	-	(216)	-	(1,122)
Transfers	-	-	-	-	-	-	-	3,210	(3,210)	-
Translation differences	-	-	-	(5,047)	(9)	(4,367)	(214)	(59)	(725)	(10,421)
At 31 March 2025	3,999	1,657	46,304	110,694	4,234	89,093	2,584	20,120	18,227	296,912
Additions	-	-	-	-	1	2	-	248	-	251
Disposal of a subsidiary	-	-	-	-	-	-	-	(1)	-	(1)
Translation differences	-	-	-	(4,799)	-	(6,426)	(361)	29	1,247	(10,310)
At 31 March 2026	3,999	1,657	46,304	105,895	4,235	82,669	2,223	20,396	19,474	286,852
Accumulated impairment										
At 1 October 2023/31 March 2025	-	-	-	26,698	-	522	-	470	2,315	30,005
Impairment for the financial year	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	-	-	-	26,698	-	522	-	470	2,315	30,005

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Solar power plant RM'000	Renovation RM'000	Tools and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation										
At 1 October 2023	-	791	5,650	9,533	1,861	33,669	3,659	14,602	12,499	82,264
Charge for the financial period	-	250	1,217	5,910	734	7,493	564	1,831	1,788	19,787
Disposals	-	-	-	-	-	(403)	(2,224)	(33)	-	(2,660)
Disposal of subsidiaries	-	(325)	(248)	-	-	-	-	(220)	-	(793)
Lease termination	-	-	-	-	-	-	-	-	(3,100)	(3,100)
Written off	-	-	-	-	(314)	(145)	-	(129)	-	(588)
Transfers	-	-	-	-	-	-	-	1,665	(1,665)	-
Translation differences	-	-	-	(677)	(2)	(1,446)	(178)	(47)	(168)	(2,518)
At 31 March 2025	-	716	6,619	14,766	2,279	39,168	1,821	17,669	9,354	92,392
Charge for the financial year	-	132	811	3,488	84	3,654	330	1,107	1,448	11,054
Disposals	-	-	-	-	-	-	-	(1)	-	(1)
Translation differences	-	-	-	2,518	2	(2,474)	(332)	52	(273)	(507)
At 31 March 2026	-	848	7,430	20,772	2,365	40,348	1,819	18,827	10,529	102,938
Carrying amount										
At 31 March 2026	3,999	809	38,874	58,425	1,870	41,799	404	1,099	6,630	153,909
At 31 March 2025	3,999	941	39,685	69,230	1,955	49,403	763	1,981	6,558	174,515

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Renovation RM'000	Tools and equipment RM'000	Office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Company					
Cost					
At 1 October 2023	175	3	2,261	2,122	4,561
Additions	-	-	27	-	27
Disposals	-	-	-	(1,945)	(1,945)
At 31 March 2025	175	3	2,288	177	2,643
Additions	-	-	171	-	171
At 31 March 2026	175	3	2,459	177	2,814
Accumulated depreciation					
At 1 October 2023	87	2	1,817	2,096	4,002
Charge for the financial period	26	1	173	26	226
Disposals	-	-	-	(1,945)	(1,945)
At 31 March 2025	113	3	1,990	177	2,283
Charge for the financial period	26	-	131	-	157
At 31 March 2026	139	3	2,121	177	2,440
Carrying amount					
At 31 March 2026	36	-	338	-	374
At 31 March 2025	62	-	298	-	360

Carrying amounts of property, plant and equipment pledged as securities for the term loans facilities granted to subsidiaries are:

	Group	
	2026 RM'000	2025 RM'000
Freehold land	3,999	3,999
Leasehold land	809	941
Buildings	38,376	39,302
Solar power plant	58,424	69,230
	101,608	113,472

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in property, plant and equipment are right-of-use assets defined under MFRS 16 Leases as set out below:

	Land and buildings RM'000	Motor vehicles RM'000	Tools and equipment RM'000	Total RM'000
Group				
At 1 October 2023	9,157	570	1,553	11,280
Lease termination	(1,487)	-	-	(1,487)
Additions	655	-	-	655
Depreciation	(1,282)	(500)	(6)	(1,788)
Impairment	-	-	(1,545)	(1,545)
Translation differences	(555)	-	(2)	(557)
At 31 March 2025	6,488	70	-	6,558
Depreciation	(1,423)	(25)	-	(1,448)
Translation differences	1,520	-	-	1,520
At 31 March 2026	6,585	45	-	6,630
Company				
At 1 October 2023	-	26	-	26
Depreciation	-	(26)	-	(26)
At 31 March 2025	-	-	-	-
Depreciation	-	-	-	-
At 31 March 2026	-	-	-	-

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments.

The Group leases plots of land, warehouses and factory facilities. The lease period ranges between 2 and 22 years, with an option to renew the lease after the expiry date.

5. INTANGIBLE ASSETS

	Rights RM'000	Goodwill RM'000	Total RM'000
Group			
Cost			
At 1 October 2023	26,553	3,304	29,857
Disposal of subsidiaries	-	(715)	(715)
At 31 March 2025/31 March 2026	26,553	2,589	29,142
Accumulated impairment			
At 1 October 2023/31 March 2025/31 March 2026	15,510	2,589	18,099
Accumulated amortisation			
At 1 October 2023/31 March 2025/31 March 2026	11,043	-	11,043
Carrying amount			
At 31 March 2026	-	-	-
At 31 March 2025	-	-	-

i. Mass Rapid Transit 2 ("MRT2") project

The right was acquired through a business combination to provide engineering, procurement, construction, testing and commissioning of power supply and distribution system of MRT2 Project.

The MRT2 Project was completed on 16 March 2023. The right is fully amortised based on the stage of completion over the construction period.

ii. Solar power plant

The right was acquired through a business combination to develop a 20 years concession of a large-scale solar power plant in Cambodia under a long-term Power Purchase Agreement, Built, Own and Operate model with Electricite du Cambodge. The solar power plant was completed in January 2022 and the operation commenced on 1 February 2022. The right is amortised over a period of 20 years beginning 1 February 2022.

Impairment testing for cash-generating units containing goodwill

For impairment testing, goodwill is allocated to the Group's operating divisions, which represent the lowest cash-generating unit level within the Group at which the goodwill is monitored for internal management purposes.

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2026	**2025**
	RM'000	**RM'000**
Unquoted shares, at cost	213,895	213,895
Less: Impairment loss end of the financial year/period	(124,868)	(124,868)
	89,027	89,027
Contributions to subsidiaries – Share Grant Plan	3,127	3,127
	92,154	92,154

The recoverable amount of certain subsidiaries was determined based on Level 3 fair value method and a value-in-use calculation using cash flow projections based on financial budgets approved by the management covering a five-year period. The discount rates applied to the cash flow projections ranges from 11.29% to 14.62% based on the weighted average cost of capital of the Company.

6.1 Details of the subsidiaries are as follows:

Name of company	**Principal place of business**	**Effective interest 2026 %**	**Effective interest 2025 %**	**Principal activities**
ENERSOL Co. Ltd. ("ENR")	Malaysia (Labuan)	100	100	Investment holding, provision of comprehensive power system engineering and technical solution for procurement, and installation of substations, transmission lines and underground cables for electric power transmission and distribution.
Fornix Sdn. Bhd. ("FNX")	Malaysia	100	100	Investment holding company.
PESTECH (Cambodia) PLC ("PCL") [(a)]	Cambodia	94.7	94.7	Construction of electrical substation and transmission line.
PESTECH (PNG) Ltd. ("PNG") [(c)]	Papua New Guinea	100	100	Provision of project management, electrical substations and transmission line erection and installation, supervision of testing and commissioning and civil works.
PESTECH (Sarawak) Sdn. Bhd. ("PSW")	Malaysia	100	100	Provision of electrical mechanical and civil engineering, subcontracting and engineering services and its related products.
PESTECH Energy Sdn. Bhd. ("PEN")	Malaysia	100	100	Provision of design and supply of remote-control systems and data communication products and its related services.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.1 Details of the subsidiaries are as follows (cont'd):

Name of company	Principal place of business	Effective interest 2026 %	Effective interest 2025 %	Principal activities
PESTECH Power Sdn. Bhd. ("PPW")	Malaysia	100	100	Investment holding and provision of establishing electric power transmission concessions.
PESTECH Aerotrain Sdn. Bhd. ("PAS")	Malaysia	100	100	Investment holding company.
PESTECH Sdn. Bhd. ("PSB")	Malaysia	100	100	Provision of comprehensive power system engineering and technical solutions for design, procurement and installation of substations, transmission lines and underground cables for electricity transmission and distribution. It is also an investment holding company.
PESTECH System Siam Ltd. ("PSS") [(c)]	Thailand	99.99	99.99	Inactive.
PESTECH Technology Sdn. Bhd. ("PTE")	Malaysia	100	100	Provision of design, engineering, supply and commissioning of plant systems for power plants and rail electrification projects.
PESTECH Transmission Sdn. Bhd. ("PTR")	Malaysia	100	100	Provision of comprehensive power system engineering and technical solutions for design, procurement, construction, commissioning of High Voltage ("HV") and Extra High Voltage ("EHV") substations.
PESTECH Vietnam Company Limited ("PVN") [(c)]	Vietnam	100	100	Inactive.
Subsidiary of PCL:				
PESTECH (Myanmar) Limited ("PML") [(d)]	Myanmar	94.7	94.7	Provision of project management, electrical substations, transmission line erection and installation, supervision of testing and commission and civil works.
Subsidiary of PML:				
PESTECH Hinthar Corporation Limited ("PHC") [(d)]	Myanmar	56.8	56.8	Establish infrastructure for power sector and promote the power segments such as power generation, power transmission and power distribution.
Subsidiary of PHC:				
PESTECH Microgrid Company Limited ("PMG") [(d)]	Myanmar	51.1	51.1	Provision of microgrid system and other power infrastructure to the rural areas in Myanmar.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.1 Details of the subsidiaries are as follows (cont'd):

Name of company	Principal place of business	Effective interest 2026 %	Effective interest 2025 %	Principal activities
<u>Subsidiary of PEN:</u>				
PESTECH Solutions Sdn. Bhd. ("PSN")	Malaysia	100	100	Marketing and trading of meters, HVDC electrical power transmission system and any other ancillary peripherals and/or products.
<u>Subsidiaries of PPW:</u>				
Diamond Power Ltd. ("DPL") [(a)]#	Cambodia	60	60	Supplying, installing, maintaining, repairing and operating power substation and power transmission (Inactive after disposal of concession asset).
PESTECH Power One Sdn. Bhd. ("PP1")	Malaysia	100	100	Investment holding company.
Astoria Solar Farm Sdn. Bhd. ("ASF")	Malaysia	100	100	Investment holding company.
PESTECH REI Sdn. Bhd. ("REI")	Malaysia	90	90	Inactive.
PESTECH Pluginfinite Sdn. Bhd. ("PLUG")	Malaysia	100	100	Investment holding and provision of electric vehicles ("EV") charging facilities, green renewable energy services and other ancillary services.
<u>Subsidiary of PP1:</u>				
ODM Power Line Company Limited ("OPL") [(b)]#	Cambodia	70	70	Construction of electrical substation and transmission line.
<u>Subsidiary of ASF:</u>				
Green Sustainable Ventures (Cambodia) Co. Ltd. ("GSV") [(b)]	Cambodia	94	94	Establish infrastructure for power sector such as electric power generation, power transmission, power distribution and operation in Cambodia.
<u>Subsidiaries of PSB:</u>				
PESTECH (Brunei) Sdn. Bhd. ("PBR") [(d)]	Brunei	90	90	Inactive.
PESTECH Transmission Limited ("PTL") [(d)]	Ghana	100	100	Inactive.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.1 Details of the subsidiaries are as follows (cont'd):

Name of company	Principal place of business	Effective interest 2026 %	Effective interest 2025 %	Principal activities
Subsidiary of PTE:				
CRSE Sdn. Bhd. ("CRSE")	Malaysia	100	100	Provision of project management, engineering, design, procurement, construction and related support services in relation to railway electrical and mechanical projects.
Subsidiary of PTR:				
PESTECH Transmission CDI SARL ("PTCS)[(d)]	Africa	100	100	Construction services.

(a) Subsidiary audited by Baker Tilly (Cambodia) Co. Ltd.

(b) Subsidiary audited by Grant Thornton (Cambodia) Ltd.

(c) The financial statements have been reviewed by Nexia SSY PLT for consolidation purposes.

(d) Companies not required to be audited in their countries of incorporation. The financial statements have been reviewed by Nexia SSY PLT for consolidation purposes.

\# Pledged as security for term loan facility granted to a subsidiary.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Non-controlling interests ("NCI") in subsidiaries

The information of NCI are as follows:

	OPL RM'000	DPL RM'000	PCL RM'000	Others RM'000	Total RM'000
31.3.2026					
Carrying amount of NCI	18,531	1,304	(2,998)	(9,280)	7,557
(Loss)/profit allocated to NCI	(1,887)	(96)	(2,220)	68	(4,135)
Total comprehensive (loss)/income allocated to NCI	(3,786)	(3,236)	(1,749)	331	(8,440)
31.3.2025					
Carrying amount of NCI	22,317	4,540	(4,737)	(6,123)	15,997
(Loss)/profit allocated to NCI	(4,974)	675	(9,339)	(2,546)	(16,184)
Total comprehensive loss allocated to NCI	(6,430)	(1,560)	(9,553)	(2,060)	(19,603)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material NCI are as below:

	OPL RM'000	DPL RM'000	PCL RM'000
Financial position as at 31 March 2026			
Non-current assets	376,479	73	227,680
Current assets	175,395	87,854	600,882
Non-current liabilities	(18,222)	(273)	(419,700)
Current liabilities	(509,752)	(348)	(532,048)
Net assets/(liabilities)	23,900	87,306	(123,186)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Non-controlling interests ("NCI") in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material NCI are as below (cont'd):

	OPL RM'000	DPL RM'000	PCL RM'000
Summary of financial performance for the financial year from 1 April 2025 to 31 March 2026			
Loss for the financial year	(6,289)	(239)	(42,212)
Other comprehensive loss	(6,329)	(7,850)	8,956
Total comprehensive loss	(12,618)	(8,089)	(33,256)
Included in total comprehensive loss is:			
Revenue	-	-	73,647
Summary of cash flows for the financial year ended 31 March 2026			
Net cash generated from/(used in) operating activities	8,168	(10,094)	14,072
Net cash used in investing activities	-	-	(9)
Net cash (used in)/generated from financing activities	(2,151)	10,093	(24,191)
Net cash inflow/(outflow)	6,017	(1)	(10,128)
Financial position as at 31 March 2025			
Non-current assets	333,259	106	257,713
Current assets	266,626	96,175	715,226
Non-current liabilities	(74)	(84,841)	(638,371)
Current liabilities	(525,423)	(90)	(425,093)
Net assets	74,388	11,350	(90,525)
Summary of financial performance for the financial period from 1 October 2023 to 31 March 2025			
(Loss)/profit for the financial period	(16,579)	1,688	(177,547)
Other comprehensive loss	(4,852)	(5,589)	(4,069)
Total comprehensive loss	(21,431)	(3,901)	(181,616)
Included in total comprehensive loss is:			
Revenue	-	-	85,059

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Non-controlling interests ("NCI") in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material NCI are as below (cont'd):

	OPL RM'000	DPL RM'000	PCL RM'000
Summary of cash flows for the financial period from 1 October 2023 to 31 March 2025			
Net cash generated from/(used in) operating activities	6,574	(24,360)	66,042
Net cash generated from investing activities	-	-	392
Net cash used in financing activities	(6,413)	(79)	(35,359)
Net cash inflow/(outflow)	161	(24,439)	31,075

7. INVESTMENT IN ASSOCIATES

	Group 2026 RM'000	2025 RM'000
Unquoted shares, at cost	137	137
Share of post-acquisition reserve	(137)	(137)
	-	-

The particulars of the associates are as follows:

Name of company	Principal place of business	Effective interest 2026 %	2025 %	Principal activities
Transmission Energy Inc.	Philippines	40	40	Provision of comprehensive power system and technical solutions for the procurement and installation of substations and transmission lines.
PESTECH GTI Sdn. Bhd. ("GTI")	Malaysia	30	30	Inactive.
IJMC-PESTECH JV	Malaysia	40	40	Provision of executing and completing on project of Automated People Mover at KL International Airport

7. INVESTMENT IN ASSOCIATES (CONT'D)

The Group's associates are not material individually or in aggregate to the Group's financial position. Therefore, the summarised financial information of the associates is not presented.

There is no restriction on the ability of associates to transfer funds to the Group in the form of dividend.

There are no contingent liabilities that are incurred jointly with other investors and those that arise because the investor is severally liable for all or part of the liabilities of the associates.

7.1 Disposal of an associate

PESTECH Sdn. Bhd. ("PSB"), a wholly-owned subsidiary of the Company, had on 30 August 2024, entered into a Share Sale Agreement ("SSA") with an external party for the disposal of its 38% equity interest in PESTECH Corporation ("PCO") for a total consideration of PHP13,020,000 (equivalent to RM1.06 million). PCO ceased to be an associate of the Company following the completion of the disposal on 30 August 2024 and the proceed amount was offset against expenses in relation to the local delivery of foreign supply incurred by PSB.

8. DERIVATIVE FINANCIAL INSTRUMENTS

	2026		**2025**	
	Contract/ notional amount RM'000	**(Liabilities) RM'000**	**Contract/ notional amount RM'000**	**(Liabilities) RM'000**
Group				
FVTPL:				
Forward currency contracts				
- Non-current	-	-	19,373	(161)
- Current	-	-	-	-
		-		(161)
Hedging derivative:				
Interest rate swap contracts				
- Non-current	187,734	(1,143)	212,027	(1,512)
		(1,143)		(1,673)

Fair value through profit or loss ("FVTPL")

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with current transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The Group uses forward currency contracts to manage some of the transaction exposure. The full fair value of a derivative is classified as non-current asset or liability if the remaining maturity is more than 12 months and, as a current asset or liability, if the maturity is less than 12 months.

8. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Fair value through profit or loss ("FVTPL")(cont'd)

The Group recognised a gain of RMNil (2025: gain of RM4,289,000) arising from fair value changes of derivative financial instruments. The fair value changes are attributable to change in foreign exchange spot and forward rates. The method and assumptions applied in determining the fair value of derivatives are disclosed in Note 33.3.

Cash flow hedges

The Group had entered into interest rate swap to hedge at least 50% of its long term borrowing at fixed rate, using floating-to-fixed interest rate swaps to achieve this when necessary. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. During the financial year 2026 and 2025, the Group's borrowings at variable rate were mainly denominated in US dollars.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group hedged at least 50% of its long-term borrowings, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the period, there is an economic relationship.

Interest rate swaps currently in place cover approximately 19% (2025: 22%) of the variable long term borrowings principal outstanding. The fixed interest rates of the swaps range between 6.78% and 8.21% (2025: 6.78% and 8.21%) per annum.

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2026 RM'000	**2025 RM'000**
Carrying amount Liabilities	(1,143)	(1,512)
Notional amount	187,734	212,027
Maturity date	2027 - 2029	2027 - 2029
Hedge ratio	1:1	1:1
Weighted average hedged rate for the period	7.68%	7.67%

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:
- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

There were no recognised ineffectiveness during the financial year/period 2026 or 2025 in relation to the interest rate swaps.

8. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Cash flow hedges (cont'd)

The Group recognised a gain of RM242,498 (2025: loss of RM4,012,180) arising from fair value changes of derivative financial instruments in other comprehensive income.

9. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2026	**2025**
	RM'000	**RM'000**
Contract assets		
Contract assets from customers on construction contracts [(a)]	1,072,279	1,178,861
Presented by:		
Non-current	536,449	542,983
Current	535,830	635,878
	1,072,279	1,178,861
Contract liabilities - current		
Contract liabilities from customers on construction contracts	(4,841)	(10,359)

(a) Construction contracts

The Group issued progress billings to the customers when the billings milestones are attained while the revenue recognised when the performance obligation is satisfied.

	Group	
	2026	**2025**
	RM'000	**RM'000**
Contract assets	1,072,279	1,409,216
Less: Impairment loss during the financial year/period	-	(230,355)
	1,072,279	1,178,861
Contract liabilities	(4,841)	(10,359)
	1,067,438	1,168,502

9. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

(a) Construction contracts (cont'd)

	Group	
	2026	**2025**
	RM'000	**RM'000**
At the beginning of financial year/period	1,168,502	1,751,481
Revenue recognised during the financial year/period	185,318	467,649
Progress billings issued during the financial year/period	(201,066)	(744,268)
Finance income recognised	17,792	33,967
Impairment during the financial year/period	-	(230,355)
Derecognition of contract liabilities from disposed subsidiaries	-	(16,172)
Fair value loss from contract modification	-	(14,143)
Translation differences	(103,108)	(79,657)
At the end of financial year/period	1,067,438	1,168,502
Presented by:		
Non-current	536,449	542,983
Current	530,989	625,519
	1,067,438	1,168,502

The unsatisfied performance obligation at the end of the reporting period are expected to be recognised within 1 year.

As at 31 March 2026, included within current contract assets is an amount of RM375,117,547 (2025: RM332,272,000) arising from construction services rendered by OPL, under a long-term concession arrangement. Under the terms of the contract, billings are scheduled over a period of up to 10 years following the completion of the project. Accordingly, the contract contains a significant financing component, and the contract asset has been measured after taking into account the effects of the significant financing component in accordance with MFRS 15 Revenue from Contracts with Customers.

(b) Impact of the Middle East Conflict

The conflict in the Middle East, which commenced on 28 February 2026 and resulted in the closure of the Strait of Hormuz, has caused disruptions to business activities, transportation and supply chains in the region and globally.

The Group's operations have not been directly affected by the conflict. However, the Group has experienced indirect operational implications in relation to its construction project in Iraq. Due to the prevailing circumstances, the Group has been unable to make certain planned visits to the project site, resulting in delays in the verification of project progress and the submission of progress billings to the customer. As at 31 March 2026, the Group had contract assets of RM50,307,622 arising from the project.

9. CONTRACT ASSETS/CONTRACT LIABILITIES (CONT'D)

(b) Impact of the Middle East Conflict (cont'd)

Management expects that the Group will be able to resume visits to the project site and complete the necessary verification and progress billing procedures as conditions permit. Based on the Group's historical experience, amounts billed in respect of the project have been fully collected, and management continues to expect that the outstanding contract assets will be recovered through the normal progress billing and collection process.

The Group has considered the impact of the Middle East Conflict, including the resulting delays in site visits and progress billings, in assessing the recoverability of the contract assets as at 31 March 2026. Management's assessment takes into consideration the expected continuation of the project, the Group's contractual rights to bill for work performed, the expected resumption of site visits and progress billing activities, and the Group's historical experience of fully collecting amounts billed under the project.

Nevertheless, the continuing uncertainty arising from the conflict may affect the timing of the Group's site visits, progress billings and subsequent cash collections. The extent and duration of such delays cannot at present be reliably determined. Management will continue to monitor developments in the region and assess their impact on the progress of the project, the timing of progress billings and the recoverability of the contract assets.

10. INVENTORIES

	Group	
	2026 RM'000	2025 RM'000
Work-in-progress	40,281	43,454
Less: Written down during the financial year/period	-	(500)
	40,281	42,954
General stocks	14,394	13,889
	54,675	56,843

The inventories recognised as cost of sales in profit or loss for the financial year 2026 is RM231,452,094 (2025: RM317,097,478).

11. TRADE RECEIVABLES

	Group 2026 RM'000	Group 2025 RM'000
Trade receivables	52,757	124,405
Less: Impairment loss	(15,090)	(15,560)
	37,667	108,845
Retention sums on contracts	102,150	97,096
Less: Impairment loss	(21,115)	(21,115)
	81,035	75,981
	118,702	184,826

Trade receivables are non-interest bearing. The credit terms granted by the Group ranges from 30 to 60 (2025: 30 to 60) days.

Included in trade receivables is an amount of RM21,824,179 due from Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd. ("SPYTL"), which is subject to ongoing legal and arbitration proceedings as disclosed in Note 31. Based on the assessment performed at the reporting date, the Directors are of the view that no additional expected credit loss allowance is required in respect of this balance.

The movements of the impairment losses of trade receivables during the financial year/period are as follows:

	Group 2026 RM'000	Group 2025 RM'000
At the beginning of the financial year/period	15,560	12,300
Recognised during the financial year/period	-	4,676
Reclassification to amount due from ultimate holding company	-	(1,198)
Reversal during the financial year/period	(470)	(218)
At the end of the financial year/period	15,090	15,560

The movements of the impairment losses of retention sums on contracts during the year/period are as follows:

	Group 2026 RM'000	Group 2025 RM'000
At the beginning of the financial year/period	21,115	1,115
Recognised during the financial year/period	-	20,000
At the end of the financial year/period	21,115	21,115

12. OTHER RECEIVABLES

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	4,156	5,858	53	54
Advance payments to suppliers	9	10	-	-
Deposits	8,032	3,340	3	1
Prepayments	12,160	14,880	-	1
GST/VAT receivable	24,500	24,332	-	-
	48,857	48,420	56	56

The movements of the impairment losses of the receivables during the financial year/period are as follows:

	Group	
	2026	**2025**
	RM'000	**RM'000**
At the beginning of the financial year/period	-	20
Write off during the financial year/period	-	(20)
At the end of the financial year/period	-	-

13. AMOUNT DUE FROM/ (TO) IMMEDIATE AND ULTIMATE HOLDING COMPANY/ SUBSIDIARIES/ ASSOCIATES

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(a) Immediate and Ultimate holding company				
Trade:				
Amount due from	11,996	27,981	-	-
Non-trade:				
Amount due to	-	-	(5,706)	(269)

13. **AMOUNT DUE FROM/(TO) IMMEDIATE AND ULTIMATE HOLDING COMPANY/SUBSIDIARIES/ASSOCIATES (CONT'D)**

	Company	
	2026	**2025**
	RM'000	**RM'000**
(b) Subsidiaries (Non-trade):		
Amount due from	435,942	407,017
Less: Impairment loss	(143,898)	(143,898)
	292,044	263,119
Amount due to	(89,806)	(130,705)
	202,238	132,414
Presented by:		
Non-current	-	225,584
Current	202,238	(93,170)
	202,238	132,414

The movements of the impairment losses of the receivables during the financial year/period are as follows:

	Company	
	2026	**2025**
	RM'000	**RM'000**
At the beginning of the financial year/period	143,898	-
Recognised during the financial year/period	-	143,898
At the end of the financial year/period	143,898	143,898

The amount due from/(to) subsidiaries are unsecured, receivable/repayable on demand and subject to interest rates ranging from Nil% (2025: 6.94% to 8.47%) per annum.

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(c) Associates (Non-trade):				
Amount due from	14,748	8,359	-	-
Less: Impairment loss	(1,485)	(1,485)	-	-
	13,263	6,874	-	-

13. AMOUNT DUE FROM/(TO) IMMEDIATE AND ULTIMATE HOLDING COMPANY/SUBSIDIARIES/ASSOCIATES (CONT'D)

The movements of the impairment losses of the receivables during the financial year/period are as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At the beginning of the financial year/period	1,485	-	-	-
Recognised during the financial year/period	-	1,485	-	-
At the end of the financial year/period	1,485	1,485	-	-

The amount due from associates are unsecured, receivable on demand and interest free.

The recoverable amount due from subsidiaries and associates were determined based on Level 3 fair value method and a value-in-use calculation using cash flow projections based on financial budgets approved by the management covering a five-year period. The discount rates applied to the cash flow projections ranges from 11.29% to 14.62% (2025: 11.29% to 14.62%) based on the weighted average cost of capital of the Company.

14. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed and short-term deposits with licensed institutions	9,531	45,284	793	31,045
Cash and bank balances	61,621	130,988	209	72,715
	71,152	176,272	1,002	103,760

The effective interest rates of fixed deposits with licensed financial institutions ranges from 1.04% to 4.75% (2025: 1.04% to 4.75%) per annum. The maturity period of the fixed deposits ranges from 1 to 365 days (2025: 1 to 365 days).

The Group has maintained debt service reserve balances amounting to RM33,585,000 (2025: RM34,517,000) under cash and bank balances, as security for banking facilities granted to respective subsidiaries. The Group's fixed deposits amounting to RM8,952,176 (2025: RM8,952,000) are pledged to licensed banks for banking facilities granted to respective subsidiaries and the Company's fixed deposits are pledged to licensed banks for sinking fund.

15. SHARE CAPITAL

Group and Company

	Number of shares		Amount	
	2026	**2025**	**2026**	**2025**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
Issued and fully paid with no par value:				
At the beginning of financial year/period	2,325,556	992,221	392,942	232,942
Restricted issue	231,789	1,333,335	27,815	160,000
At the end of financial year/period	2,557,345	2,325,556	420,757	392,942

The Company had on 18 December 2024 issued 1,333,335,000 new ordinary shares at RM0.12 per share for a total cash consideration of RM160,000,200 through a restricted issue. The proceeds were utilised to repay certain bank borrowings and to support operational working capital requirements.

The Company had on 13 June 2025 issued 231,789,037 new ordinary shares at RM0.12 per share for a total cash consideration of RM27,814,684 through a restricted issue. The proceeds were utilised to repay certain bank borrowings and to support operational working capital requirements. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares issued by the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

16. TREASURY SHARES

Group and Company

	Number of shares		Amount	
	2026	**2025**	**2026**	**2025**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
At the beginning/end of financial year/period	7,666	7,666	4,183	4,183

Treasury shares comprise solely the ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. There was no repurchase of issued share capital in the current financial year.

As at 31 March 2026 and 2025, the Company held 7,666,100 of the Company's ordinary shares as treasury shares, amounting to RM4,183,000.

Treasury shares have no rights to vote, dividends and participation in other distribution.

17. RESERVES

	Group	
	2026	**2025**
	RM'000	**RM'000**
Non-distributable reserve:		
Merger deficit	(33,137)	(33,137)
Exchange translation reserve	41,491	35,517
Capital reserve	8,534	8,534
Fair value reserve	(2,392)	(2,620)
	14,496	8,294

Merger deficit

The merger deficit represents the effect arising from the merger of subsidiaries by the Company.

Exchange translation reserve

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Capital reserve

A subsidiary has increased the share capital from capitalisation of post-acquisition retained earnings. A permanent freezing of the portion of the subsidiary's post-acquisition retained earnings is recognised by a transfer from Group's retained earnings to the Group's capital reserve.

Fair value reserve

The fair value reserve represents the effective portion of changes in the fair value of the derivative financial instruments that are designation and qualified as cash flow hedge.

18. PERPETUAL SUKUK

	Group and Company	
	2026	**2025**
	RM'000	**RM'000**
Nominal value	82,000	82,000

On 16 October 2020, the Group entered into a Perpetual Islamic Notes Issuance Programme under the Shariah Principle of Musharakah for issuance of RM1,000,000,000 Perpetual Islamic Notes. The Perpetual SUKUK is accounted as an equity.

The Perpetual SUKUK was issued with a tenure of perpetual non-callable of 3 years, where first call date is 16 October 2023, with an initial periodic distribution rate of 6% per annum. On 30 June 2023, a notice of Sinking Fund Event had been issued by Malaysian Trustees Berhad and the periodic distribution rate had been increased to 15% per annum. On 9 November 2023, the Company partially redeemed RM18 million of the Perpetual SUKUK.

The salient features of the Perpetual SUKUK are as follows:

(a) The Perpetual SUKUK is issued under the Islamic Principle of Musharakah;
(b) The Perpetual SUKUK is a perpetual non-callable 3 years with no fixed tenure and carries a fixed initial periodic distribution rate of 6% (per annum, payable semi-annually) up to the 4th year anniversary of the issue date, after which and on the 4th anniversary of the issue date until the redemption the periodic distribution rate will be reset. The periodic distribution rate will be reset to the Initial Periodic Distribution Rate + Step-Up Margin applicable on each Stepped-Up Date. As at 31 March 2026, a periodic distribution for Perpetual SUKUK was paid amounting to RM12,266,000 (2025: RM18,166,000);
(c) Deferred periodic distribution, if any, will be cumulative and accrued at the prevailing periodic distribution rate. The Group, at its discretion, has the option to defer the periodic distribution in perpetuity;
(d) The Perpetual SUKUK has no fixed redemption date;
(e) The Group has the option to redeem the Perpetual SUKUK in whole under the following circumstances:
    (i) Optional Redemption;
    (ii) Accounting Event Redemption;
    (iii) Tax Event Redemption;
    (iv) Privatisation Event Redemption; and
    (v) Sinking Fund Event Redemption
(f) Payment obligations on the Perpetual SUKUK will at all times, rank in priority to other share capital instruments for the time being outstanding, but junior to the claims of present and future creditors of the Group and the Company; and
(g) The Perpetual SUKUK is secured by relevant Tranche Security.

19. LEASE LIABILITIES

	Group		Company	
	2026 **RM'000**	**2025** **RM'000**	**2026** **RM'000**	**2025** **RM'000**
At the beginning of financial year/period	9,150	11,756	-	27
Additions	-	655	-	-
Accretion of interest	554	1,071	-	-
Lease termination	-	(1,638)	-	-
Payments:				
- Principal	(542)	(994)	-	(27)
- Interests	(554)	(1,071)	-	-
Translation reserve	(751)	(629)	-	-
At the end of financial year/period	7,857	9,150	-	-
Presented as:				
Current	529	417	-	-
Non-current				
- between 2 to 5 years	1,868	1,813	-	-
- more than 5 years	5,460	6,920	-	-
	7,328	8,733	-	-
	7,857	9,150	-	-

The Group's and the Company's leases bear interest rates ranging from 2.35% to 8.79% and Nil% (2025: 2.35% to 8.79% and Nil%) per annum, respectively.

20. LOANS AND BORROWINGS (SECURED)

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
- Term loans	90,002	285,375	-	-
- Third party loan	31,721	34,747	-	-
	121,723	320,122	-	-
Current				
- Bank overdrafts	20,558	10,878	-	621
- Bankers' acceptances	2,428	26,223	-	-
- Term loans	418,263	347,919	-	35,000
- Trust receipts	6,319	94,926	-	-
- Revolving credits	55,563	159,239	31,559	65,954
- Third party loan	647	709	-	-
	503,778	639,894	31,559	101,575
	625,501	960,016	31,559	101,575

The particulars of term loans are as follows:

	Group	
	2026	**2025**
	RM'000	**RM'000**
(a) A 9-year term loan of RM37.7 million which is repayable in 107 equal monthly installments of RM350,000 commencing 1 June 2018 and a final installment of RM5.4 million.	11,006	14,155
(b) A 20-year term loan of RM6.75 million which is repayable in 120 equal monthly installments of RM42,352 commencing on 1 November 2016 until the full settlement of the Facilities.	4,124	4,376
(c) A 9-year term loan of USD50 million (equivalent to RM221.6 million) which is repayable in 72 monthly installments commencing 3rd year after first drawdown in June 2018. The term loan period has been extended by 2 years. The repayment date has been revised to three months after scheduled commercial operation date or 64 months after the first utilisation date, whichever is earlier. The installments ranges from USD400,000 (equivalent to RM1.8 million) to USD2.36 million (equivalent to RM10.5 million) per month.	189,822	207,932

20. LOANS AND BORROWINGS (SECURED) (CONT'D)

The particulars of term loans are as follows:

	Group 2026 RM'000	Group 2025 RM'000
(d) A 9-year term loan of USD50 million (equivalent to RM221.6 million) which is repayable in 16 semi-annual installments commencing 18 months after first drawdown in April 2019. The repayment period changed from semi-annual to monthly starting from July 2021 and it ranges from USD0.4 million (equivalent to RM1.77 million) to USD0.5 million (equivalent to RM2.22 million) per month.	53,104	89,748
(e) A 13-year term loan of USD16 million (equivalent to RM70.9 million) which is repayable by 144 installments commencing 12 months after first drawdown in June 2021. The monthly installments is USD162,416 (equivalent to RM719,828). The monthly installment amount was increased to USD170,179.57 (equivalent to RM754,235.85) starting from October 2023.	49,297	58,615
(f) A 8-year term loan of USD45.5 million (equivalent to RM201.7 million) which is repayable by 144 installments commencing 23 months after the first drawdown date in March 2021 or 7 months after the scheduled commercial operation date, whichever is earlier. The principal repayment memorandum period has been extended to 35 months after the first drawdown date. The installments amount to USD300,000 (equivalent to RM1.33 million) for moratorium date and USD600,000 (equivalent to RM2.66 million). #	198,722	220,011
(g) A term loan of USD1 million (equivalent to RM4.4 million) which is repayable by 48 months. The installments amounting of USD24,530 (equivalent to RM108,717) commenced on 30 May 2022.	2,190	3,457
(h) A term loan of RM35 million which is repayable 6 months from the date of first drawdown (first drawdown date is on September 2023) or upon receipt of the proceeds from the Corporate Exercise, whichever is earlier.	-	35,000
	508,265	633,294

20. LOANS AND BORROWINGS (SECURED) (CONT'D)

Breach of loan covenant and subsequent repayment

\# During the financial year, OPL, a subsidiary of the Company, breached a financial covenant related to debt-to-equity and debt service coverage ratio under a term loan facility with outstanding balance of RM198,722,449. As a result, the loan became repayable on demand in accordance with the terms of the agreement. Subsequently to the reporting date, the lender provided a waiver of the breach and new repayment schedule.

Term loans (a) and (b) are secured by:
(i) Letter of offers;
(ii) Master facility agreements;
(iii) Asset sale agreements over shariah compliant commodities;
(iv) Deeds of assignment of the sale and purchase agreement with power attorney to transfer or otherwise deal with the land and buildings of the subsidiary; and subsequently, upon issuance of the individual title, a legal charge over the land and buildings of the subsidiary;
(v) A first party fixed charge over the landed properties;
(vi) Facility agreement together with profit, commission and all other charges thereon;
(vii) A third limited debenture ranks pari passu to the existing debenture limited to the land; and
(viii) Corporate guarantee from the Company.

Term loan (c) is secured by:
(i) Assignment and charge over accounts, assignment of project documents, assignment of takaful insurances and letter of undertaking;
(ii) Insurance premium covered during the construction of the project; and
(iii) Corporate guarantee from the Company.

Term loan (d) is secured by:
(i) Granting certain direct rights to the Direct Agreement;
(ii) Pledge of bank account opened by the subsidiary;
(iii) Insurance premium covered during and after the construction of the project; and
(iv) Corporate guarantee from the Company.

Term loan (e) is secured by:
(i) New facility agreement for USD16 million;
(ii) Hypothec Agreement over a parcel of vacant land to be erected with solar photovoltaic power plant;
(iii) Corporate guarantee from the Company and ASF;
(iv) Debenture for USD16 million incorporating first fixed and floating charge over present and future assets;
(v) Letter of undertaking from the Company and GSV;
(vi) Legal assignment over the rights and interest to the proceeds from the sale of electricity to EDC;
(vii) Assignment of rights and interest under the solar farm project arrangements; and
(viii) Assignment of designated accounts.

20. LOANS AND BORROWINGS (SECURED) (CONT'D)

Term loan (f) is secured by:
(i) Assignment of rights and benefits under the Build Transfer Agreement;
(ii) Assignment of rights and benefits under the Implementation Agreement;
(iii) Assignment of rights and benefits under the Government Guarantee;
(iv) Assignment of rights and benefits under the Construction Agreement;
(v) Assignment of rights and benefits under contract, agreements and insurances in relation to the Company;
(vi) Pledge over shares of OPL;
(vii) Assignment of revenue proceeds of the project;
(viii) Corporate guarantee from the Company;
(ix) Pledge over the future immovable assets; and
(x) Debenture over moveable assets of the subsidiary.

Term loan (g) is secured by guarantee from the Company.

Term loan (h) is secured by:
(i) Memorandum of charge over the Escrow Account maintained with the bank;
(ii) Deed of assignment over all proceeds to be credited into the Escrow Account maintained with the bank; and
(iii) Join and several guarantee by certain Directors of the Company.

Other than term loans, other borrowings of the Group are secured by:

(i) Master facility agreement;
(ii) Corporate guarantee by the Company;
(iii) Blanket counter indemnity from a subsidiary;
(iv) Letter of undertaking from a subsidiary;
(v) Deed of legal assignment over proceeds of MRT2 Project with notice of assignment duly acknowledged by project principal/awarder;
(vi) Debenture over the fixed and floating assets, present and future;
(vii) Letter of undertaking from the Company to cover costs overrun, if any;
(viii) Letter of negative pledge;
(ix) Irrevocable instruction letter to project principal/awarder, duly acknowledged by the same, to channel all project proceeds to designated Project Escrow Account;
(x) Marginal deposit to be built by way of sinking fund by debit of up to 5% of each progress claim, up to RM25,000,000;
(xi) Letter of set-off on the marginal deposit, so long the specific project financing line - MRT2 Project limits subsist;
(xii) Irrevocable instruction letter to authorise the banks to operate designated escrow account;
(xiii) Securities acceptable to the Bank as may be advised by the Bank's panel solicitors;
(xiv) Overdraft undertaking;
(xv) Bankers' acceptance undertaking and indemnity;
(xvi) Facility agreement as principal instrument; and
(xvii) An open monies third party legal charge over a property.

20. LOANS AND BORROWINGS (SECURED) (CONT'D)

The borrowings of the Company are secured by corporate guarantee by a subsidiary of the Company and open monies third party legal charge over a property.

The effective annual interest rates are as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	%	%	%	%
Third party loan	6.50	6.50	-	-
Term loans	5.92-8.50	4.55 - 9.54	6.05	6.75
Bank overdrafts	2.95-8.25	4.25 - 10.17	-	7.85
Bankers' acceptances	5.34-5.68	5.50 - 7.63	-	-
Trust receipts	-	5.46 - 7.11	-	-
Revolving credit	4.60-7.67	5.18 - 8.62	6.05 – 8.00	6.60 – 8.00

21. DEFERRED TAX LIABILITIES

The deferred tax liabilities at the end of the reporting year are made up of the temporary differences arising from:

	Property, plant and equipment RM'000	**Unutilised industrial building allowances RM'000**	**Total RM'000**
Group			
At 1 October 2023	7,256	(700)	6,556
Disposal of subsidiaries	(198)	-	(198)
Recognised in profit or loss (Note 29)	(637)	-	(637)
Translation reserve	(308)	-	(308)
At 31 March 2025	6,113	(700)	5,413
Recognised in profit or loss (Note 29)	(227)	-	(227)
Translation reserve	(460)	-	(460)
At 31 March 2026	5,426	(700)	4,726

22. TRADE PAYABLES

	Group 2026 RM'000	Group 2025 RM'000
Non-current		
Trade payables	-	61,416
Current		
Trade payables (including accrued contract costs)	362,330	345,740
Retention sums on contracts	27,866	27,288
	390,196	373,028
	390,196	434,444

Included in trade payables of the Group is an amount due to related parties by virtue of common Directors amounting to RMNil (2025: RM156,727) which is unsecured, non-interest bearing. The credit term granted by the related parties is up to Nil (2025: 90) days.

Trade payables are non-interest bearing. The credit terms granted by the trade payables to the Group range from 14 days to 2 years (2025: 14 days to 2 years).

23. OTHER PAYABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current				
Other payables	44,668	48,929	-	-
Current				
Amount due to Directors	-	16,250	-	16,250
Other payables and accruals	108,518	79,571	6,683	4,279
Deposits received	-	47	-	-
Sales and Services Tax payable	6,418	8,817	-	-
Provision of performance bond	-	35,035	-	-
	114,936	139,720	6,683	20,529
	159,604	188,649	6,683	20,529

23. OTHER PAYABLES (CONT'D)

Provision for performance bond relates to the termination of a contract by one of its customers, and the High Court has dismissed its injunction application filed against the customer, the details are disclosed in Note 31.

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At the beginning of the financial year/period	35,035	39,900	-	-
Reversal of unutilised provision during the financial year/period	(26,506)	-	-	-
Repayment during the financial year/period	(8,529)	(4,865)	-	-
At end of the financial year/period	-	35,035	-	-

Included in other payables and accruals of the Group are:
(i) an amount of RM2,920,427 (2025: RM2,920,427) arising from the land compensation for a project carried out by a subsidiary in prior year.
(i) an amount of RM44,667,840 (2025: RM4,847,327) owing to a customer which bears interest at 3.00% (2025: 3.00%) per month.
(ii) amount due to Directors which are unsecured, repayable on demand and bears interest ranging from Nil% (2025: 5.59% to 12.00%) per annum.
(iii) an amount of RM54,480,126 (2025: RM 52,918,020) owing to a third party which bears interest at 8.50% (2025: 8.50%) per annum.

24. REVENUE

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Revenue from contract with customers:				
Sales of products	1,401	91,343	-	-
Rendering services under construction contracts	278,395	467,649	-	-
Operation and maintenance services	11,350	33,002	-	-
Management fee income	-	-	15,265	23,345
	291,146	591,994	15,265	23,345
Timing of recognition				
- Satisfied over time	199,530	500,651	15,265	23,345
- Satisfied at a point in time	91,616	91,343	-	-
	291,146	591,994	15,265	23,345

25. OPERATING EXPENSES

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Direct costs				
- Raw materials and consumables	231,452	317,097	-	-
- Production overheads	21,974	149,315	-	-
	253,426	466,412	-	-
Employee benefit expenses				
- Directors' remuneration	775	6,888	634	4,139
- Salaries, wages, bonuses and other emoluments	11,240	60,657	6,374	8,274
- Defined contribution plan	1,187	7,193	580	967
- Social security contributions	89	566	50	71
- Other benefits	1,280	5,490	991	335
	14,571	80,794	8,629	13,786
Directors' fee	569	588	405	391
Depreciation				
- Property, plant and equipment	11,054	19,787	157	226
Short-term leases				
- Rental of premises	1,881	3,731	503	923

25. OPERATING EXPENSES (CONT'D)

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Others				
Auditors' remuneration:				
Nexia SSY PLT				
- Audit services	630	-	218	-
- Other services	55	-	-	-
Other auditors				
- Audit services	210	857	-	135
- Other services	49	64	-	15
Other expenses	45,234	26,988	5,834	10,276
Reversal of impairment loss on receivables	(470)	-	-	-
	327,209	599,221	15,746	25,752

26. OTHER OPERATING INCOME

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Sundry income	204,520	15,875	41,811	16
Gain on lease termination	5	151	-	-
	204,525	16,026	41,811	16

Included in sundry income mainly represents the gain arising from the completion of the Pre-Packaged Scheme of Arrangement of the Group and of the Company amounting to approximately RM201.9 million and RM39.4 million, respectively, whereby the Group's outstanding debts owing to the Scheme Creditors were fully and finally settled as disclosed in Note 36(b).

27. OTHER LOSSES

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Bad debts written off	-	(2,239)	-	-
Fair value gain on derivative financial instruments	(29)	4,289	-	-
Gain on disposal of subsidiaries	-	17,588	-	524
Gain on disposal of property, plant and equipment	-	1,617	-	-
Written down of inventories		(500)	-	-
Impairment of investment in subsidiaries	-	-	-	(124,868)
Fair value loss from contract modification	-	(14,143)	-	-
Property, plant and equipment written off	-	(534)	-	-
Realised (loss)/gain on foreign exchange	(5,436)	378	(223)	(11)
Unrealised (loss)/gain on foreign exchange	(28,847)	(17,270)	(3,888)	906
	(34,312)	(10,814)	(4,111)	(123,449)

28. FINANCE INCOME/COSTS

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Finance income				
Interest income	577	1,790	18	768
Interest income charged to subsidiaries	-	-	-	34,893
Interest income arising from contracts with customers	17,792	33,967	-	-
Unwinding discount of financial liabilities	-	10,971	-	-
	18,369	46,728	18	35,661
Finance costs				
Bank overdrafts	1,823	4,193	19	82
Lease liabilities	554	1,071	-	-
Interest expense charged by subsidiaries	-	-	-	7,722
Short-term borrowings	39	24,972	-	7,707
Term loans	51,343	85,123	3,093	4,568
Amortisation of unwinding discount of financial liabilities	4,736	3,226	-	-
Late payment interest	1,235	2,566	-	-
	59,730	121,151	3,112	20,079

29. TAX EXPENSE

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Current financial year:				
- current income tax	3,056	6,604	-	3,282
- deferred tax (Note 21)	(100)	177	-	-
	2,956	6,781	-	3,282
Prior year:				
- current tax	(50)	(77)	1,408	(104)
- deferred tax (Note 21)	(177)	(814)	-	-
	2,729	5,890	1,408	3,178

Malaysian income tax is calculated at the statutory rate of 24% (2025: 24%) of the estimated taxable profits for the financial year/period.

29. TAX EXPENSE (CONT'D)

Taxation for other jurisdictions is calculated at the rates prevailing in their respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) before tax of the applicable statutory tax rate to income tax expense of the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Profit/(Loss) before tax	92,789	(333,634)	34,125	(254,156)
At Malaysian statutory tax rate of 24% (2025: 24%)	22,269	(80,072)	8,190	(60,997)
Effects of different tax rates on overseas subsidiaries	1,579	4,283	-	-
Tax effects in respect of:				
- expenses not deductible for tax purposes	17,496	75,897	1,099	70,200
- income not subject to tax	(48,391)	(7,242)	(10,035)	(4,215)
- movement of deferred tax assets not recognised during the financial year/period	10,053	13,915	746	(1,706)
- (Over)/under provision in prior period	(277)	(891)	1,408	(104)
	2,729	5,890	1,408	3,178

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Property, plant and equipment	1,831	1,831	147	147
Unabsorbed tax losses	(290,460)	(237,335)	(6,475)	(3,368)
Unutilised capital allowances	(2,360)	(13,596)	-	-
Others	(41,849)	(41,849)	-	-
	(332,838)	(290,949)	(6,328)	(3,221)

The unabsorbed tax losses and unutilised capital allowances are available to offset against future taxable profits of the Group and of the Company respectively in which those items arose. Deferred tax assets have not been recognised in respect of these items as they are not foreseen to be realised in the near future.

29. TAX EXPENSE/(INCOME) (CONT'D)

The expiry of the unabsorbed tax losses is as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Carry forward to:				
Year of assessment 2028	2,536	312	-	-
Year of assessment 2029	-	2,536	-	-
Year of assessment 2030	25,311	38,323	2,944	3,368
Year of assessment 2031	2,455	2,666	-	-
Year of assessment 2032	19,649	23,169	-	-
Year of assessment 2033	110,087	134,897	-	-
Year of assessment 2034	73,523	-	-	-
Year of assessment 2035	9,598	35,432	-	-
Year of assessment 2036	47,301	-	3,531	-
	290,460	237,335	6,475	3,368

30. EARNINGS/(LOSS) PER SHARE

Basic/diluted earnings/(loss) per share

Basic/diluted loss per share is calculated by dividing consolidated loss for the financial year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue, after adjusting for movement in treasury shares during the financial year/period.

	Group	
	1.4.2025 to 31.3.2026	1.10.2023 to 31.3.2025
Earnings/(Loss) attributable to owners of the Company (RM'000)	81,929	(341,506)
Weighted average number of ordinary shares in issue (Number of shares '000)	2,502,687	1,234,706
Basic/diluted earnings/(loss) per share (RM)	0.03	(0.28)

Diluted earnings per share

The diluted loss per share of the Group is similar to the basic loss per share as the effect of including convertible investments are anti-dilutive for the period presented.

31. CONTINGENCIES AND MATERIAL LITIGATIONS

(a) In the matter of the adjudication proceedings between PESTECH Technology Sdn. Bhd. ("PTE") and Lion Pacific Sdn. Bhd. ("LPSB") and in the matter of the High Court proceedings between LPSB and PTE.

Pursuant to the Sub-Contract Agreement dated 24 November 2014 ("Sub-Contract"), LPSB appointed PTE as the subcontractor to complete the systems works package ("Works") for the project known as "Extension of the Rail Link from the Subang Commuter Station to Subang Skypark Phase 1" ("Project"). The Sub-Contract was terminated by PTE on 13 March 2020. On 24 February 2021, LPSB initiated a suit in the High Court against PTE, raising allegations arising out of the Works under the Project.

LPSB is claiming against PTE the sum of RM28,388,900.00 for among others, Liquidated Ascertained Damages, losses and/or damage suffered by LPSB, and loss of profit as a result of PTE's termination of the Sub-Contract. PTE in turn has filed a counterclaim against LPSB for the sum of RM33,368,312.14 for among others, loss and expense, payment for certified value of works done, payment for works done up to termination of the contract, and payment for variation works instructed by LPSB.

Parties have reached an amicable settlement of this matter. The parties have filed the Notice of Discontinuance dated 5 May 2025 to discontinue the suit with no order as to costs and without liberty to file afresh the claims and counterclaims.

(b) In the matter of an AIAC arbitration between Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd. (Claimant) ("SPYTL") and Pestech Technology Sdn. Bhd. ("PTE") & Pestech International Berhad ("PIB") (Respondents)
[Ref: AIAC/D/AD-1225-2023]

On 24 August 2018, PTE was appointed by SPYTL as the subcontractor to undertake the contract works for the design, construction, supply, installation, completion, testing, commissioning and maintenance of the electrified double track rail project from Gemas to Johor Bahru ("Gemas Project").

On 10 May 2023, PTE received a Notice of Termination for Default from SPYTL terminating PTE as the sub-contractor for the Gemas Project ("Notice of Termination for Default"). The proceedings were consolidated on 6 December 2023, and the Arbitral Tribunal was constituted on 10 January 2024. Both PTE and PIB filed setoffs and counterclaims. Pleadings were completed, and documents exchanged by October 2024.

The arbitration was suspended by mutual agreement until 15 January 2025. Meanwhile, PESTEC filed Civil Suit No. WA-22C-84-12/2024 ("Suit 84") challenging the arbitration's jurisdiction. As a result, the November 2024 hearing dates were vacated, and the Tribunal scheduled a Case Management on 8 May 2025.

On 8 May 2025, PTE and PIB confirmed their intent to proceed with Suit 84. SPYTL requested to pause the arbitration pending its Stay Appeal fixed for 26 May 2025. Parties are scheduled for hearing on the following dates 26, 27 and 30 November 2026; and 1-4, 7-11 and 14-15 December 2026.

31. CONTINGENCIES AND MATERIAL LITIGATIONS (CONT'D)

Following procedural directions, Witness Statements were filed on 15 July 2026, and the Arbitral Tribunal issued Procedural Order No. 6 on 22 July 2026. The First Expert Reports are scheduled to be filed on 16 September 2026.

The Evidential Hearing before the Arbitral Tribunal has been fixed for 26, 27 and 30 November 2026; and 1-4, 7-11 and 14-15 December 2026.

As at the reporting date, the financial outcome of the arbitration remains subject to the determination of the Arbitral Tribunal.

(c) In the High Court between Pestech Sdn Bhd ("PSB") and Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL") [Kuala Lumpur High Court Civil Suit No. WA-22C-44-06/2023 and Court of Appeal Civil Appeal No. W-02(1M)(C)-1 192-07/2023]

On 20 June 2023, PSB filed a writ and ex-parte injunction against SPYTL at the Kuala Lumpur High Court to prevent tampering with its machinery and to seek their return.

On 8 January 2024, SPYTL filed a Stay Application, leading to a suspension of all pre-trial directions. On 11 July 2024, the High Court dismissed the Stay Application. SPYTL appealed this decision on 26 July 2024 resulting in Appeal No: W-02(1M)(C)-1 248-07/2024.

The trial was initially fixed for June 2025 but was later vacated by the Court on 27 May 2025 following SPYTL's further application for case management directions to stay Suit 44 pending Appeal 1248's decision and Suit 84's decisions on the two pending applications at the time. Trial is now re-fixed for 6 to 8 October 2025, with the next case management on 14 August 2025.

PSB filed an Amended Statement of Claim, and the application has been sealed by the court on 3 November 2025.

The trial was conducted over 20 April 2026 and 21 April 2026 before YA Tuan Rajes Raghavji. On 14 July 2026, the High Court delivered its decision dismissing PSB's claim in its entirety and ordered PSB to pay global costs of RM110,000.00 to SPYTL in respect of the trial and previous interlocutory proceedings.

Following the delivery of the decision, PSB instructed its solicitors to proceed with filing an appeal against the High Court's decision at the Court of Appeal and is currently preparing the Notice of Appeal. Pending the outcome of the appeal, the full financial exposure remains uncertain.

31. **CONTINGENCIES AND MATERIAL LITIGATIONS (CONT'D)**

(d) Jalur Tegas Sdn Bhd ("Jalur Tegas") v Pestech Technology Sdn Bhd ("PTE") (Original Action); PTE v Jalur Tegas Sdn Bhd & Mohd Rizal bin Abdul Ghani (Counterclaim)

On 21 March 2024, Jalur Tegas commenced a claim against PTE for RM 1,037,369.76 for alleged outstanding payments under a manpower supply contract. PTE ftiled a Counterclaim against Jalur Tegas seeking for up to RM 18,000,000.00 or damages to be assessed based on a cause of breach of contract and against both Jalur Tegas and Mohd Rizal bin Abdul Ghani, a cause of action of unlawful conspiracy.

Jalur Tegas has filed a Summary Judgment Application and an application to strike out PTE's Counterclaim. On 21 June 2025, the High Court dismissed both applications, except for the striking out application by the second defendant (Mohd Rizal bin Abdul Ghani), which was allowed resulting in the Counterclaim being struck out.

PTE filed an appeal against the decision to the Court of Appeal on 8 July 2025. On 2 March 2026, the Court of Appeal dismissed PTE's appeal. As a result, the Counterclaim will now proceed solely against Jalur Tegas.

The High Court has fixed the substantive trial for 19 to 21 October 2026. The Court has directed parties to file their respective witness statements on or before 21 September 2026 and fixed a case management on 22 September 2026.

Should Jalur Tegas succeed in its claim, PTE will be liable for the sum of RM1,037,369.76, together with interest and costs. Conversely, the amount recoverable under PTE's counterclaim against Jalur Tegas remains subject to the documentary evidence adduced and the assessment of the Court.

(e) In the matter of the arbitration proceedings between Shandong Power Equipment Co., Ltd ("SPECO") and PESTECH Sdn Bhd ("PSB")

On 17 October 2024, Shandong Power Equipment Co Ltd ("SPECO") issued four Notices of Arbitration ("the Notices") against PSB for outstanding balances under four transformer supply contracts, with a total claim amounting to approximately RM7.47 million (in CNY and USD).

PSB denied liability by responding to the Notices on 18 November 2024, asserting material breach by SPECO, and seeking setoffs for rectification works totalingtotalling RM3.52 million. Arbitration proceedings commenced on 30 October 2024 under the AIAC Arbitration Rules 2023.

However, pursuant to meetings on 26 and 28 November 2024 between parties, PSB and SPECO had successfully negotiated a settlement of this matter wherein PSB is to pay SPECO USD595,101.35 (the outstanding sum due and owing to SPECO that partties have mutually agreed upon) in two instalments: the first instalment to be made by end of January 2025 and the second instalment before 28 February 2025 which had been paid by PSB to SPECO. Rectification costs of USD516,910.34 were agreed to be offset. The balance sum of RMB2,522,526.81 shall be payable post DLP expiry for the Junjung Project. SPECO has acknowledged the settlement and will withdraw the arbitration proceedings in due course.

31. CONTINGENCIES AND MATERIAL LITIGATIONS (CONT'D)

(f) Winding-Up Petition High Court of Malaya, Kuala Lumpur, Petition No. WA-28NCC-1326 12/2025 by PESTECH Engineering Technology (China) Co. Ltd. served on PESTECH SDN BHD ("PSB")

On 22 December 2025, Pestech Sdn. Bhd. ("PSB"), was served with a winding-up petition dated the same day ("Petition") by Messrs. Ravindran Advocates & Solicitors, acting for Pestech Engineering Technology (China) Co. Ltd. ("Petitioner"). The Petitioner is not related to the Company or its subsidiaries, notwithstanding the similarity in name.

The Petition was filed in the High Court of Malaya at Kuala Lumpur for an alleged sum of USD 2,394,052.01. PESTEC in its official statement dated 16 January 2026 emphasised that the Petition and the alleged debt is disputed, and based on the current assessment, the Company does not expect any material adverse impact on the financial position or operations of the Company or the Group arising from the Petition.

PSB has entered appearance and opposed the Petition, filing its Affidavit to Oppose on 28 April 2026 and requisite Written Submissions. On 26 May 2026, PSB filed a Summons in Chambers and Affidavit in Support seeking an order to stay the Winding-Up Petition pending the final determination of Kuala Lumpur High Court Suit No. WA-22ICA-9-05/2026, on the basis that the Suit directly challenges the validity and enforceability of the underlying agreements.

Both the Winding-Up Petition and the stay application remain pending before the High Court, with the next Case Management fixed for 6 August 2026.

Any material development in respect of the above matter will be announced in due course, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(g) In the court between TM Technology Services Sdn Bhd ("TMM TSSB") and Pestech Sdn Bhd ("PSB")[Kuala Lumpur High Court Civil Suit No. WA-22NCVC-488-08/2023]

In August 2023, TM TSSB commenced a civil suit against PSB alleging negligence and claiming damages amounting to RM1,170,654.85 for alleged damage caused to its underground telecommunications cables during excavation and drilling works. PSB entered an appearance and defended the action.

Following full trial proceedings, the High Court delivered its decision on 12 December 2025, allowing TM TSSB's claim and ordering PSB to pay damages of RM1,170,654.85 together with interest at 5% per annum calculated from the date of filing of the writ action until full settlement, and legal costs of RM80,000.00.

On 8 January 2026, PSB filed a Notice of Appeal to the Court of Appeal against the entire decision of the High Court. Subsequently, on 6 May 2026, PSB filed an application to stay execution of the High Court Judgment pending disposal of the appeal.

The stay of execution application is fixed for hearing on 19 August 2026 before the High Court. As at the reporting date, the final financial outcome remains subject to the determination of the Court of Appeal.

31. CONTINGENCIES AND MATERIAL LITIGATIONS (CONT'D)

(h) (h)In the court between PESTECH Engineering Technology (China) Co. Ltd ("PCN") and Pestech Sdn Bhd ("PSB") [Kuala Lumpur High Court Civil Suit No. WA-22NCvC-530-09/2025]

PCN commenced a civil suit against PSB premised on alleged unpaid invoices for the sum of USD 7,330,949.21. PSB received a Judgment in Default ("JID") dated 25 September 2025 obtained by PCN. Upon conducting a court file search, it was revealed that service of the Writ and Statement of Claim had been effected at PSB's former registered address.

PSB subsequently instructed its solicitors to file an application to set aside the JID and a concurrent application for a stay of execution pending disposal of the setting aside application. Upon hearing the parties, the High Court held that service was properly executed and dismissed PSB's application to set aside the JID.

PSB subsequently filed an application for a stay of execution. The High Court fixed a physical Case Management on 30 July 2026 to update the Court on whether parties agree to deposit the Judgment sum into a joint stakeholder account held by their respective legal counsel. The decision on the application is fixed for 27 August 2026.

(i) In the court between Pestech Sdn Bhd ("PSB") v CEEC Tianjin Electric Power (M) Sdn Bhd ("CEEC") [Kuala Lumpur High Court Originating Summons No. WA-24NCC-17-01/2026]

On 18 December 2025, PSB received a Statutory Notice issued under Sections 466(1)(a) and 465(1)(e) of the Companies Act 2016 from CEEC demanding payment of RM8,965,940.79 for alleged outstanding non-payment of invoices pursuant to a Settlement Agreement.

In response, PSB filed an application for a Fortuna Injunction in the Kuala Lumpur High Court to restrain CEEC from presenting a winding-up petition.

Following the hearing on 9 March 2026, the High Court dismissed PSB's Fortuna Injunction application. Dissatisfied with the decision, PSB filed a Notice of Appeal to the Court of Appeal on 8 April 2026.

As at the reporting date, the financial outcome of the matter remains subject to the determination of the Court of Appeal.

31. CONTINGENCIES AND MATERIAL LITIGATIONS (CONT'D)

(j) Winding-Up Petition High Court of Malaya, Kuala Lumpur, Petition No. WA-28NCC-555-05/2026 by Pestech Sdn Bhd ("PSB") served on Mega Linear Sdn Bhd ("Mega Linear")

On 5 May 2026, PSB issued a Statutory Notice pursuant to Sections 466(1)(a) and 465(1)(e) of the Companies Act 2016 to Mega Linear demanding payment of an outstanding debt amounting to RM1,354,464.72.

Following Mega Linear's failure to satisfy the demanded sum within the 21-day statutory period, PSB commenced winding-up proceedings against Mega Linear in the Kuala Lumpur High Court.

On 26 June 2026, Mega Linear filed an Affidavit in Opposition to contest the Winding-Up Petition. As a result of the matter becoming contested, the High Court vacated the initial hearing date of 30 July 2026.

The matter has been fixed for Case Management on 1 September 2026 and physical Hearing on 10 September 2026 before the Kuala Lumpur High Court (Commercial Division 10).

As at the reporting date, the winding-up petition remains pending before the High Court.

(k) Shah Alam High Court Suit No. BA-22NCC-128-07/2025: Lim Ah Hock & Lim Pay Chuan v PESTEC International Berhad ("the Company")

Following the Company's initial announcement on 22 July 2025 in respect of the legal proceedings commenced by the Plaintiffs, Lim Ah Hock and Lim Pay Chuan, against the Company, parties engaged in discussions with a view towards an amicable settlement.

On 25 August 2025, the parties mutually executed a Letter of Settlement to conclude the matter on a full and final basis with no further claims against the Company.

Pursuant thereto, the Plaintiffs filed a Notice of Discontinuance in the High Court of Malaya at Shah Alam on 25 August 2025, discontinuing the entire action against the Company. Accordingly, this matter is fully resolved and closed as at the reporting date.

32. RELATED PARTY DISCLOSURES

32.1 Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 To 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 To 31.3.2025 RM'000**
Advances from Directors	-	1,650	-	1,650
Interest expenses charged by Directors	-	2,343	-	2,343
Subsidiaries:				
Management fee income	-	-	15,265	23,345
Rental expense	-	-	503	755
Interest expense	-	-	-	7,722
Interest income	-	-	-	34,893
Payment on behalf from	-	-	(214)	(45,647)
Related parties by virtue of common shareholders and/or key management personnel:				
Purchase of materials and services received	105	715	-	-
Provision of services	46,682	-	-	-
Rental expense	71	-	-	-

32.2 Compensation of key management personnel

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	**1.10.2023 to 31.3.2025 RM'000**	**1.4.2025 to 31.3.2026 RM'000**	**1.10.2023 to 31.3.2025 RM'000**
Executive Directors of the Company:				
Salaries and other emoluments	499	4,440	392	3,636
Defined contribution plan	39	431	39	413
Social security contributions	1	11	1	3
	539	4,882	432	4,052
Non-Executive Directors of the Company:				
Directors' other emoluments	236	87	202	87

32. RELATED PARTY DISCLOSURES (CONT'D)

32.2 Compensation of key management personnel (cont'd)

	Group		Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Directors of subsidiaries:				
Salaries and other emoluments	-	1,919	-	-
	775	6,888	634	4,139
Non-Executive Directors of the Company:				
Directors' fee	569	588	405	391

The estimated monetary value of benefit-in-kind received and receivable by the Executive Directors of the Group and of the Company other than cash amounted to RMNil (2025: RM51,977).

Other key management personnel compensation is as follows:

	Group and Company	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Other key management personnel:		
- Salaries, bonuses and other emoluments	1,534	4,988
- Defined contribution plan	93	385
- Social security contributions	3	8
	1,630	5,381

Other key management personnel comprise staff of the Group and of the Company having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly.

32.3 Related party balances

Outstanding balances arising from related party transactions with related parties are disclosed in Notes 13, 22 and 23.

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	2026			2025		
	Amortised cost RM'000	**FVTPL RM'000**	**Derivatives - used for hedging RM'000**	**Amortised cost RM'000**	**FVTPL RM'000**	**Derivatives - used for hedging RM'000**
Group						
Financial assets						
Trade and other receivables (excluding advance payments to suppliers, prepayments and GST/VAT receivable)	130,890	-	-	194,024	-	-
Amount due from immediate and ultimate holding company	11,996	-	-	27,981	-	-
Amount due from associates	13,263	-	-	6,874	-	-
Cash and short-term deposits	71,152	-	-	176,272	-	-
	227,301	-	-	405,151	-	-
Financial liabilities						
Derivative financial liabilities	-	-	1,143	-	161	1,512
Lease liabilities	7,857	-	-	9,150	-	-
Trade and other payables (excluding Sales and Services Tax payable and provision for performance bond)	543,382	-	-	579,241	-	-
Loans and borrowings	625,501	-	-	960,016	-	-
	1,176,740	-	1,143	1,548,407	161	1,512

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):

	Amortised cost	
	2026	**2025**
	RM'000	**RM'000**
Company		
Financial assets		
Other receivables	56	55
Amount due from subsidiaries	292,044	263,119
Cash and short-term deposits	1,002	103,760
	293,102	366,934
Financial liabilities		
Other payables	6,683	20,529
Amount due to subsidiaries	89,806	130,705
Amount due to immediate and ultimate holding company	5,706	269
Loans and borrowings	31,559	101,575
	133,754	253,078

33.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses on its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) **Credit risk (cont'd)**

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. The Group extends credit only to recognised and creditworthy third parties. It is the Group's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Following are the areas where the Group are exposed to credit risk:

Trade receivables and contract assets

Maximum exposure of the Group to credit risk is represented by the carrying amount of financial assets recognised at reporting date summarised below:

	Group	
	2026 RM'000	2025 RM'000
Trade receivables	118,702	184,826
Contract assets	1,072,279	1,178,861
	1,190,981	1,363,687

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The Group considers any receivables having financial difficulty or with significant outstanding balances for more than twelve months, are deemed credit impaired. This gross carrying amounts of credit impaired debtors are written off (either partially or full) when there is no realistic prospect of recovery.

In managing the credit risk of trade receivables, the Group will initiate appropriate debt recovery procedures on past due balances. Where necessary, the Group will also commence legal proceeding against the customers.

For construction contracts, the Group assessed the risk of loss of each customer individually based on their historical collection trend from customer and external credit ratings, where applicable.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) **Credit risk (cont'd)**

Following are the areas where the Group are exposed to credit risk (cont'd):

Trade receivables and contract assets (cont'd)

The Group uses an allowance matrix to measure ECL of trade receivables and contract assets. There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting financial year end and historical collection trend from these customers.

In respect of trade receivables, the Group has significant exposure to several customers and as such a concentration of credit risks who are of high creditworthiness and of international repute.

	Group			
	2026		2025	
	RM'000	% of trade receivables	RM'000	% of trade receivables
Top 4 (2025: 4) customers	29,404	25	80,731	44

The credit risk concentration profile of the total trade receivables of the Group as at the reporting date is as follows:

	Group			
	2026		2025	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	58,164	49.00	57,174	30.94
Cambodia	29,927	25.21	89,090	48.20
Philippines	29,305	24.69	28,401	15.37
Papua New Guinea	1,116	0.94	8,047	4.35
Others	190	0.16	2,114	1.14
	118,702	100.00	184,826	100.00

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) **Credit risk (cont'd)**

Following are the areas where the Group are exposed to credit risk (cont'd):

Trade receivables and contract assets (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
31.3.2026			
Group			
Not past due	74,167	-	74,167
Past due for 1-30 days	10,291	-	10,291
Past due for 31-60 days	1,874	-	1,874
Past due for 61-90 days	7,575	-	7,575
Past due for more than 90 days	24,795	-	24,795
	118,702	-	118,702
Credit impaired	36,205	(36,205)	-
Trade receivables	154,907	(36,205)	118,702
Contract assets	1,072,279	-	1,072,279
31.3.2025			
Group			
Not past due	168,037	-	168,037
Past due for 1-30 days	4,752	-	4,752
Past due for 31-60 days	6,110	-	6,110
Past due for 61-90 days	1,762	-	1,762
Past due for more than 90 days	4,165	-	4,165
	184,826	-	184,826
Credit impaired	36,675	(36,675)	-
Trade receivables	221,501	(36,675)	184,826
Contract assets	1,409,216	(230,355)	1,178,861

Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) **Credit risk (cont'd)**

Following are the areas where the Group are exposed to credit risk (cont'd):

Intercompany balances (cont'd)

As at the end of the reporting year, there was no indication that the advances to the related companies are not recoverable, other than those disclosed in Note 13.

Other receivables

Credit risks on other receivables are mainly arising from advanced payments and deposits to the suppliers of the Group and the Company in their normal course of business. The Group and the Company consider the other receivables to have low credit risk.

The Group and the Company are not exposed to any significant credit risk exposure to any single counterparty.

Financial guarantee

The maximum exposure of the Company to credit risk amounted to RM626,653,837 (2025: RM867,588,017), representing the outstanding banking facilities and lease facilities of the subsidiaries as at the end of the reporting period.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

(b) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group aims to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

33. **FINANCIAL INSTRUMENTS (CONT'D)**

33.2 **Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) **Liquidity risk (cont'd)**

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:

			←	Maturity	→
	Carrying amount RM'000	**Contractual cash flows RM'000**	**Less than 1 year RM'000**	**1 to 5 years RM'000**	**More than 5 years RM'000**
Group					
2026					
Derivative financial liabilities					
Forward currency contracts – gross outflow	-	-	-	-	-
Forward currency contracts – gross inflow	-	-	-	-	-
	-	-	-	-	-
Non-derivative financial liabilities					
Lease liabilities	7,857	11,654	1,064	2,923	7,667
Loans and borrowings	625,501	819,200	211,073	425,291	182,836
Trade and other payables	543,382	547,486	502,818	44,668	-
	1,176,740	1,378,340	714,955	472,882	190,503
	1,176,740	1,378,340	714,955	472,882	190,503

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) **Liquidity risk (cont'd)**

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):

	Carrying amount RM'000	Contractual cash flows RM'000	← Maturity: Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000 →
Group (cont'd)					
2025					
Derivative financial liabilities					
Forward currency contracts – gross outflow	161	19,373	-	19,373	-
Forward currency contracts – gross inflow	-	(19,212)	-	(19,212)	-
	161	161	-	161	-
Non-derivative financial liabilities					
Lease liabilities	9,150	14,464	877	5,184	8,403
Loans and borrowings	960,016	1,314,821	561,362	619,664	133,795
Trade and other payables	579,241	824,092	700,397	123,695	-
	1,548,407	2,153,377	1,262,636	748,543	142,198
	1,548,568	2,153,538	1,262,636	748,704	142,198

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) **Liquidity risk (cont'd)**

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):

	Carrying amount RM'000	Contractual cash flows RM'000	Maturity: Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000
Company					
2026					
Non-derivative financial liabilities					
Loans and borrowings	31,559	31,559	31,559	-	-
Other payables	6,683	6,683	6,683	-	-
Amount due to immediate and ultimate holding company	5,706	5,706	5,706	-	-
Amount due to subsidiaries	89,806	89,806	89,806	-	-
	133,754	133,754	133,754	-	-
Financial guarantee to subsidiaries	-	703,035	163,286	389,053	150,696

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) **Liquidity risk (cont'd)**

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):

			Maturity		
	Carrying amount RM'000	**Contractual cash flows RM'000**	**Less than 1 year RM'000**	**1 to 5 years RM'000**	**More than 5 years RM'000**
Company (cont'd)					
2025					
Non-derivative financial liabilities					
Loans and borrowings	101,575	101,575	101,575	-	-
Other payables	20,529	20,529	20,529	-	-
Amount due to immediate and ultimate holding company	269	269	269	-	-
Amount due to subsidiaries	130,705	130,705	130,705	-	-
	253,078	253,078	253,078	-	-
Financial guarantee to subsidiaries	-	685,227	540,839	108,640	35,748

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the companies within the Group. The currencies giving rise to this risk are primarily United States Dollar (USD), Euro (EURO), Chinese Yuan (CNY) and Philippine Peso (PHP).

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting year/period was:

	Trade receivables RM'000	Cash and bank balances RM'000	Trade payables RM'000	Other payables RM'000	Loans and borrowings RM'000	Total RM'000
2026						
Denominated in:						
USD	14,577	8,332	(15,913)	(17,543)	(141,621)	(152,168)
EURO	-	2	(309)	-	-	(307)
CNY	-	2	-	-	-	2
PHP	-	-	(1,990)	-	-	(1,990)
-						
2025						
Denominated in:						
USD	42,789	5,797	(2,157)	(2,920)	(19,883)	23,626
EURO	-	2	(4,441)	-	-	(4,439)
CNY	-	2	(1,834)	-	-	(1,832)
PHP	-	-	(263)	-	-	(263)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) **Foreign currency risk (cont'd)**

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's net loss/profit/equity for the financial year/period to a +/-5% (2025: +/-5%) change in the USD, EURO, CNY and PHP exchange rates at the reporting year against the respective functional currency of the companies within the Group, with all variables held constant.

	Group Increase/(decrease) Net profit/(loss) for the financial year/period	
	2026 RM'000	**2025 RM'000**
USD/RM		
-Strengthened	(5,782)	898
-Weakened	5,782	(898)
EURO/RM		
-Strengthened	(12)	(169)
-Weakened	12	169
CNY/RM		
-Strengthened	*	(70)
-Weakened	(*)	70
PHP/RM		
-Strengthened	(76)	(10)
-Weakened	76	10

A +/- 5% change in the RM against the above currencies would result in an opposite impact of the same amount on equity, compared to the net loss for the financial year/period.

Exposures to foreign exchange rates vary during the financial year/period depending on the volume of overseas transactions. Nonetheless, the analysis above is representative of the Group's exposure to currency risk.

(d) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flow due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) **Interest rate risk (cont'd)**

The Group's and the Company's interest rate management objective is to manage the interest expenses consistently by maintaining an acceptable level of exposure to interest rate fluctuation. To achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The Group has entered into interest rate swap to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at end of the reporting year/period were:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Fixed rate instruments:				
Fixed deposits with licensed institutions	9,531	45,284	793	31,045
Lease liabilities	(7,857)	(9,150)	-	-
Loans and borrowings	(41,114)	(186,684)	-	-
Other payables	(153,186)	(74,015)	-	(16,250)
	(192,626)	(224,565)	793	14,795
Floating rate instruments:				
Amount due from subsidiaries	-	-	292,044	263,026
Amount due to subsidiaries	-	-	(89,806)	(130,705)
Loans and borrowings	(584,387)	(773,332)	(31,559)	(101,575)
	(584,387)	(773,332)	170,679	30,746

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year/period would not affect profit or loss.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) **Interest rate risk (cont'd)**

Cash flow sensitivity analysis for variable rate instruments

A change in 50 basis point (bp) in interest rates at the end of the reporting year/period would have increased/(decreased) net loss/profit/equity for the financial year/period by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Net profit/(loss) for the financial year/period			
	Group		**Company**	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Floating rate instruments:				
+ 50 bp	2,221	2,939	649	117
- 50 bp	(2,221)	(2,939)	(649)	(117)

A +/- 50bp change in the interest rate would result in an opposite impact of the same amount on equity, compared to the net loss for the financial year/period.

33.3 Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings (except for lease liabilities), are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the Statements of Financial Position.

	2026		**2025**	
	Carrying amounts RM'000	**Fair value at Level 2 RM'000**	**Carrying amounts RM'000**	**Fair value at Level 2 RM'000**
Group				
Derivative financial liabilities:				
Interest rate swap contracts	(1,143)	(1,143)	(1,512)	(1,512)
Forward exchange contracts	-	-	(161)	(161)

There were no transfers between Level 1 and Level 2 during the financial year/period.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Fair value of financial instruments (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(i) Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps which is calculated as the present value of the estimated future cash flows based on observable yield curves.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

34. OPERATING SEGMENT

34.1 Business segments

The Group's business units are categorised based on their products and services, comprising:

(a) Investment: Investment and investment properties
(b).EPMCC: Engineering, procurement, manufacturing, construction and commissioning of power substations, transmission lines and rail electrifications.
(c) Product: Provision of design and supply of remote

The performance and the operating results of the business units are monitored and evaluated for resource allocation and operating costs management thereon. The segmental performance is assessed based on operating results where in certain aspect is measured separately from operating profit or loss in the consolidated financial statements.

34. OPERATING SEGMENT (CONT'D)

34.1 Business segments (cont'd)

The following table provides an analysis of the Group's results, its financial position and related information by business segment:

	Note	Investment RM'000	EPMCC RM'000	Product RM'000	Adjustments and Eliminations RM'000	Total RM'000
2026						
Revenue						
External customers		-	289,746	1,400	-	291,146
Inter-segment	i	15,265	69,000	-	(84,265)	-
Total revenue		15,265	358,746	1,400	(84,265)	291,146
Results						
Finance income		18	18,351	-	-	18,369
Finance costs		(4,326)	(55,739)	62	273	(59,730)
Depreciation and amortisation		(793)	(9,083)	(462)	(716)	(11,054)
Non-cash items other than depreciation	ii	(12,617)	(17,914)	(256)	2,386	(28,401)
Tax expense		(1,409)	(1,320)	-	-	(2,729)
Segment profit/(loss)	iii	19,744	69,503	(5,223)	6,036	90,060
Assets						
Segment assets		68,993	1,699,286	13,546	(235,508)	1,546,317
Additions to non-current assets (other than financial instruments)	iv	171	79	1	-	251
Liabilities						
Segment liabilities		68,300	2,084,057	771	(959,039)	1,194,089

34. OPERATING SEGMENT (CONT'D)

34.1 Business segments (cont'd)

The following table provides an analysis of the Group's results, its financial position and related information by business segment (cont'd):

	Note	Investment RM'000	EPMCC RM'000	Product RM'000	Adjustments and Eliminations RM'000	Total RM'000
2025						
Revenue						
External customers		-	586,770	5,224	-	591,994
Inter-segment	i	25,496	197,206	4,344	(227,046)	-
Total revenue		25,496	783,976	9,568	(227,046)	591,994
Results						
Finance income		53,051	80,600	-	(86,923)	46,728
Finance costs		(36,070)	(169,298)	(2,301)	86,518	(121,151)
Depreciation and amortisation		(1,181)	(16,572)	(1,571)	(463)	(19,787)
Non-cash items other than depreciation	ii	(4,470)	(293,070)	(1,694)	11,792	(287,442)
Tax expense		(3,292)	(2,598)	-	-	(5,890)
Segment profit	iii	1,991	(357,594)	(10,703)	26,782	(339,524)
Assets						
Segment assets		186,698	2,610,652	18,322	(957,409)	1,858,263
Additions to non-current assets (other than financial instruments)	iv	27	1,092	1	(243)	877
Liabilities						
Segment liabilities		598,608	2,754,971	58,888	(1,798,926)	1,613,541

Notes to the nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements:

(i) Inter-segment revenues are eliminated on consolidation.

34. OPERATING SEGMENT (CONT'D)

34.1 Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements (cont'd):

(ii) Non-cash items consist of the following items as presented in the respective notes to the financial statements:

	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Fair value (loss)/gain on derivative financial instruments	(29)	4,289
Unrealised loss on foreign exchange	(28,847)	(17,270)
Gain on lease termination	5	151
Bad debt written off	-	(2,239)
(Impairment)/Reversal of impairment of:		
- Receivables	470	(24,458)
- Contract assets	-	(230,355)
- Associates	-	(1,485)
Written down of inventories	-	(500)
Fair value loss from contract modification	-	(14,143)
Share of loss of equity-accounted associate	-	(898)
Property, plant and equipment written off	-	(534)
	(28,401)	(287,442)

(iii) The following items are added to/(deducted from) segment profit to arrive at "Profit/(Loss) after tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Consolidated profit/(loss) before interest and tax	134,148	(259,211)
Finance income	18,369	46,728
Finance costs	(59,728)	(121,151)
Tax expense	(2,729)	(5,890)
Segment profit/(loss)	90,060	(339,524)

(iv) Additions to non-current assets consists of:

	2026 RM'000	2025 RM'000
Property, plant and equipment	251	877

34. OPERATING SEGMENT (CONT'D)

34.2 Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets are as follows:

	Revenue		Non-current assets	
	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000	2026 RM'000	2025 RM'000
Group				
Malaysia	180,576	149,664	54,911	70,501
Cambodia	79,272	104,424	97,671	103,776
Papua New Guinea	232	19,416	15	-
Philippines	-	19,782	1,231	13
China	-	13,256	62	188
South Africa	31,066	1,119	19	37
Kyrgyzstan	-	1,114	-	-
Iraq	-	283,219	-	-
	291,146	591,994	153,909	174,515

Non-current assets consist of property, plant and equipment and investment in associates.

34.3 Information about major customers

The following are major customers with revenue equal to/or more than 10% of the Group's total revenue:

	Segment	1.4.2025 to 31.3.2026 RM'000	1.10.2023 to 31.3.2025 RM'000
Customer A	EPMCC	82,320	-
Customer B	EPMCC	104,178	-
Customer C	EPMCC	75,480	283,219
Customer D	EPMCC	-	77,702

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to support the Group's growth strategy and maximise shareholder value with optimal capital structure. The Group monitors and establishes an optimal debt-equity ratio that ensures compliance with the debt covenants required by the banks.

The Group sets the capital requirements in proportion to its overall financing structure that consists of equity and financial instruments and adjustments are made to its capital structure upon assessing and considering changes in economic parameters and conditions and the risk characteristics of the underlying assets.

35. CAPITAL MANAGEMENT (CONT'D)

To maintain an optimal capital structure, the Group may also evaluate the dividend payments to shareholders, return of capital, the issuance of new shares or divest its assets to reduce debts.

36. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) On 23 May 2025, the Company completed the listing and quotation of 231,789,037 Restricted Shares on the Main Market of Bursa Securities Malaysia Berhad, at an issue price of RM0.12 per Restricted Share, thereby the Company's share capital increased from RM392,942,097 to RM420,756,781.

The proceeds raised are mainly utilised for repayment of bank borrowings, operational requirements, working capital and expenses in relation to the above corporate exercise ("Restricted Issue").

(b) On 18 December 2024, the Company ("PIB") and its subsidiaries ("Group") had a total outstanding debts of approximately RM267 million owed to the banks.

As at 30 September 2024, the lending banks had a claim against PIB either directly or via a corporate guarantee provided by PIB ("Scheme Creditors"). These outstanding bank facilities, which have been frozen and unavailable, were proposed to be resolved under the Proposed Scheme of Arrangement by a single cash payment of RM65 million.

The cash payment was funded from the proceeds of the Restricted Issue of new PIB shares as approved by PIB shareholders via an extraordinary general meeting held on 10 December 2024. This single cash payment of RM65 million was full and final settlement of the aforesaid outstanding debts.

The Scheme of Arrangement was initiated as a pre-packaged scheme of arrangement under section 369C of the Act, allowing the Court to eventually approve the Scheme without any meeting of the Scheme Creditors.

Accordingly, the Company, had on 15 January 2025, successfully obtained approval from the Scheme Creditors, higher than the requisite threshold of seventy-five percent (75%) in value. Further thereto, PIB had on 23 January 2025, filed an application pursuant to section 369C of the Companies Act 2016 at the Kuala Lumpur High Court for the Court to sanction the Proposed Scheme of Arrangement ("Scheme Application").

On 28 April 2025, the Court approved and sanctioned the Pre-Packaged Scheme of Arrangement. The sealed Court order has been extracted on 23 May 2025 and the same has been lodged with the Companies Commission of Malaysia on 26 May 2025.

37. COMPARATIVE INFORMATION

(a) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

(b) In the previous financial period, the Company changed its financial year end from 30 September 2024 to 31 March 2025. Accordingly, the previous financial period's comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are for eighteen months from 1 October 2023 to 31 March 2025, and are therefore not comparable to the current year's twelve month from 1 April 2025 to 31 March 2026.

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 8 to 100 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated 31 July 2026.

…………………….……………………	……..……………………………………
TAN SRI DATO SERI MOHD ZUKI BIN ALI	DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR

STATUTORY DECLARATION

I, Pee Boon Hooi (MIA No. 37474), being the Officer primarily responsible for the financial management of PESTEC International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on page 8 to 100 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by	)	
the abovenamed at Kuala Lumpur in	)	
the Federal Territory this day of	)	
31 July 2026.	)	………..…..……………………………………………
		PEE BOON HOOI

Before me:

Independent Auditors' Report
To The Members Of PESTEC International Berhad

Registration No: 201101019901 (948035 - U)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of PESTEC International Berhad, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 100.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

Recoverability of contract assets

Impact of the Middle East conflict: As described in Note 9 to the financial statements, the Group has recognised contract assets of approximately RM50.31 million as at 31 March 2026 arising from its construction project in Iraq. We were able to obtain sufficient appropriate audit evidence regarding the stage of completion, existence and measurement of these contract assets. However, as a result of the ongoing conflict in the Middle East and the resulting closure of the Strait of Hormuz, significant uncertainty exists over the recoverability of these amounts, and no impairment allowance has been recognised by Management in respect of the contract assets. We were unable to obtain sufficient appropriate audit evidence as to the recoverability of the contract assets and whether any impairment allowance is required and, if so, the amount of such allowance, and there were no satisfactory alternative audit procedures that we could adopt. Consequently, we were unable to determine whether any adjustments to the contract assets of approximately RM50.31 million, and to the related profit and equity, were necessary.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.3 to the financial statements, which discloses that the Group recorded net current liabilities of RM158.5 million as at 31 March 2026. As disclosed in Note 2.3, the ability of the Group to continue as a going concern is dependent on the continued financial support of the immediate and ultimate holding company, Dhaya Maju Infrastructure (Asia) Sdn. Berhad. These events or conditions, along with other matters as set forth in Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2026 Annual Report. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
To The Members Of PESTEC International Berhad (continued)
Registration No: 201101019901 (948035 - U)
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	Our response
Construction contracts The Group recognises revenue from construction projects overtime using the output method based on the percentage of completion. Significant judgement is involved in determining project progress, contract revenue and contract assets or contract liabilities, budgeted costs and contract costs recognised, and provisions for foreseeable losses.	Our audit procedures included, among others: (i) Obtained an understanding of management's process and methodology applied in determining revenue recognition for construction contracts under the output method; (ii) Evaluated the design and implementation of relevant controls over the recognition and measurement of construction contracts; (iii) Performed test of details on selected construction contracts, including review of below, where applicable: • contract agreements and approved variation orders; • project progress reports and supporting documents; • customer certifications or approvals of work performed (where applicable); • project budgets and estimated costs to complete. (iv) Assessed the reasonableness of management's determination of percentage of completion for selected projects; (v) Reconciled project information, including contract value, revenue recognised, progress billings, costs incurred and project progress, to the accounting records; (vi) Tested construction costs incurred to supporting documents to assess the accuracy and completeness of costs recognised; (vii) Performed procedures over work-in-progress balances, including verification of supporting documents and assessment of valuation; (viii) Evaluated the recognition and measurement of contract assets and contract liabilities in accordance with MFRS 15 Revenue from Contracts with Customers, except for a project as mentioned in our Basis for Qualified Opinion; (ix) Assessed the adequacy of provisions for foreseeable losses by reviewing budgeted costs and project profitability; and (x) Evaluated the adequacy of related disclosures in the financial statements.

Key Audit Matters (continued)

Key audit matters	**Our response**
Recoverability of trade receivables and measurement of contract assets The Group has significant balances of trade receivables and contract assets arising from its construction activities. The assessment of recoverability involves significant management judgement, particularly in assessing customers' ability to settle outstanding balances, expected credit losses ("ECL"), project status, progress of contracts and recoverability of amounts recognised as contract assets.	Our audit procedures included, among others: (i) Obtained an understanding of management's process for assessing the recoverability of trade receivables and contract assets; (ii) Evaluated the reasonableness of management's assessment on the recoverability of outstanding balances; (iii) Performed external confirmations of selected trade receivable balances, where applicable; (iv) Tested subsequent collections from customers after the reporting date; (v) Reviewed the ageing profile of trade receivables and assessed the adequacy of ECL recognised under MFRS 9; (vi) Obtained an understanding of management's process for assessing the recoverability of trade receivables and contract assets, including the methodology applied in determining the expected credit loss ("ECL") allowance; (vii) Evaluated the appropriateness of the ECL methodology and key assumptions applied by management and their expert; (viii) Assessed the competence, capabilities and objectivity of management expert, including their qualifications, relevant experience and expertise in performing ECL assessments; (ix) Reviewed the scope of work and deliverables provided by the management expert and evaluated the reasonableness of the assumptions and inputs used in the ECL model; (x) Performed procedures over key data inputs used in the ECL assessment, including ageing of receivables, historical payment trends, customer-specific factors and forward-looking information; (xi) Assessed the adequacy of ECL recognised for trade receivables and contract assets under MFRS 9; (xii) Reviewed significant outstanding balances and assessed supporting documents, including correspondence with customers; (xiii) For contract assets, assessed the underlying construction contracts, project progress, percentage of completion and supporting documentation to determine the appropriateness and recoverability of amounts recognised; (xiv) Considered the impact of delays, disputes, variations and other indicators affecting recoverability of the balances; and (xv) Assessed the adequacy of related disclosures in the financial statements.

Independent Auditors' Report
To The Members Of PESTEC International Berhad (continued)
Registration No: 201101019901 (948035 - U)
(Incorporated in Malaysia)

Key Audit Matters (continued)

Key audit matters	Our response
Investment in subsidiaries and amount due from subsidiaries The Company has significant balances of investment in subsidiaries and amounts due from subsidiaries. The assessment of recoverability involves significant management judgement, particularly in evaluating the financial performance, future business prospects, and ability of subsidiaries to repay amounts due. Where indicators of impairment exist, management performs impairment assessments to determine the recoverable amount of the investments and receivables.	Our audit procedures included, among others: (i) Obtained an understanding of Management's process and methodology applied in assessing the recoverability of investment in subsidiaries and amounts due from subsidiaries; (ii) Evaluated whether impairment indicators exist for the relevant subsidiaries, including reviewing financial performance, accumulated losses, net asset positions and operational performance; (iii) Reviewed Management's impairment assessment and evaluated the reasonableness of key assumptions applied in determining the recoverable amount; (iv) Compared historical financial performance against previous forecasts to assess the reliability of Management's projections; (v) Reviewed the financial position and performance of subsidiaries to assess their ability to repay amounts due to the Company; and (vi) Assessed the adequacy of related disclosures in the financial statements.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report
To The Members Of PESTEC International Berhad (continued)

Registration No: 201101019901 (948035 - U)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that:

(i) the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements;

(ii) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act; and

(iii) in our opinion, we have not obtained all the information and explanations that we required for the matters as described in the *Basis for Qualified Opinion*.

Other Matters

(i) The previous financial statements of the Group and of the Company for the financial period ended 31 March 2025 were audited by another auditor, who has expressed an unmodified opinion on those statements on 1 August 2025.

(ii) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Yong Yoon Shing
No. 00633/03/2027 J
Chartered Accountant

Shah Alam
31 July 2026