

**THIS CIRCULAR TO SHAREHOLDERS OF PESTEC INTERNATIONAL BERHAD (FORMERLY KNOWN AS PESTECH INTERNATIONAL BERHAD) ("PESTEC" OR THE "COMPANY") ("CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused the contents of this Circular on a limited review basis pursuant to the provision of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**PESTEC INTERNATIONAL BERHAD**  
**(FORMERLY KNOWN AS PESTECH INTERNATIONAL BERHAD)**  
(Registration No: 201101019901 (948035-U))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED NEW SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS  
OF A REVENUE OR TRADING NATURE  
("PROPOSED NEW SHAREHOLDERS' MANDATE")**

The resolution pertaining to the above proposal will be tabled as Special Business at the 14<sup>th</sup> Annual General Meeting ("**AGM**") of PESTEC to be held at Dewan Berjaya, Bukit Kiara Equestrian and Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 September 2025 at 10.00 a.m., or any adjournment thereof. The Notice of the AGM setting out the resolution together with the accompanying Form of Proxy are enclosed in the Annual Report of PESTEC for the financial period ended 31 March 2025 ("**Annual Report 2025**")

A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. In such event, the Form of Proxy must be deposited at the office of our Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the AGM as indicated below. The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the AGM should you subsequently wish to do so.

Last day, date and time for you to lodge the Proxy Form: Tuesday, 2 September 2025 at 10.00 a.m.

Day, date and time of the AGM : Thursday, 4 September 2025 at 10.00 a.m., or any adjournment thereof

This Circular is dated 3 August 2025

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: The Companies Act 2016
“AGM”	: Annual general meeting of our Company to be convened
“Board”	: Our Board of Directors
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CCM”	: Companies Commission of Malaysia
“Circular”	: This circular to the shareholders of PESTEC dated 3 August 2025 in relation to the Proposed New Shareholders’ Mandate.
“Director(s)”	: The director(s) shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007, and where applicable, includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director or chief executive of PESTEC, its subsidiaries or holding company
“DMIA”	: Dhaya Maju Infrastructure (Asia) Sdn Berhad (Registration No. 199601013646 (385996-H))
“DMIA Group”	: DMIA and its subsidiaries, collectively
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 24 July 2025, being the latest practicable date prior to the printing and despatch of this Circular
“Major Shareholder(s)”	<p>: A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:-</p> <p>(i) 10% or more of the total number of voting shares in our Company; or</p> <p>(ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p> <p>For the purpose of the Proposed New Shareholders’ Mandate, Major Shareholder(s) shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction(s) were agreed upon, a Major Shareholder of PESTEC as defined above or any other company which is a subsidiary or holding company of PESTEC</p>
“Person(s) Connected”	: Person(s) connected to a Director or Major Shareholder as defined under Paragraph 1.01 of the Listing Requirements
“PESTEC” or the “Company”	: PESTEC INTERNATIONAL BERHAD (formerly known as PESTECH International Berhad) (Registration No. 201101019901 (948035-U))
“PESTEC Group” or the “Group”	: PESTEC and its subsidiaries, collectively
“PESTEC Shares” or “Shares”	: Ordinary shares in PESTEC

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**DEFINITIONS (CONT'D)**

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“Proposed New Shareholders’ Mandate”	: Proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature
“Related Party(ies)”	: Directors(s), Major Shareholder(s) and/or Person(s) Connected
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RRPT(s)”	: Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for our day-to-day operations and to be entered into by PESTEC and/or our subsidiaries and the Related Parties, which are in the ordinary course of business of our Group

**Our subsidiaries**

“ASF”	: Astoria Solar Farm Sdn Bhd (Registration No. 201901004899 (1314226-H))
“FNX”	: Fornix Sdn Bhd (Registration No. 200501023116 (705247-A))
“PCL”	: PESTECH (Cambodia) PLC (Registration No. 00000957)
“PEN”	: PESTECH Energy Sdn Bhd (Registration No. 200001001150 (503755-H))
“PHC”	: PESTECH Hinthar Corporation Limited (Registration No. 120967363)
“PML”	: PESTECH (Myanmar) Limited (Registration No. 117938093)
“PP1”	: PESTECH Power One Sdn Bhd (Registration No. 201901020636 (1329965-D))
“PPW”	: PESTECH Power Sdn Bhd (Registration No. 201501003451 (1128783-H))
“PSB”	: PESTECH Sdn Bhd (Registration No. 199101010266 (220578-T))
“PTE”	: PESTECH Technology Sdn Bhd (Registration No. 201301045990 (1075814-X))
“PTR”	: PESTECH Transmission Sdn Bhd (Registration No. 201401002975 (1079049-H))

All references to “we”, “us”, “our” and “ourselves” are to PESTEC or PESTEC Group. All references to “you” in this Circular are to the shareholders of PESTEC.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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**PESTEC INTERNATIONAL BERHAD**  
**(FORMERLY KNOWN AS PESTECH INTERNATIONAL BERHAD)**  
(Registration No: 201101019901 (948035-U))  
(Incorporated in Malaysia)

**Registered Office**  
Level 12, Wisma Masyhur 2  
3 Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

3 August 2025

## **Board of Directors**

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)  
Lim Ah Hock (Non-Independent Non-Executive Director)  
Lim Pay Chuan (Non-Independent Non-Executive Director)  
Helen Tan Miang Kieng (Independent Non-Executive Director)  
Dato' Wee Yiau Hin @ Ong Yiau Hin (Independent Non-Executive Director)  
Roza Shahnaz Binti Omar (Independent Non-Executive Director)  
Puan Masnizam Binti Hisham (Independent Non-Executive Director)

## **To: The shareholders of PESTEC**

Dear Sir/Madam,

## **PROPOSED NEW SHAREHOLDERS' MANDATE**

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### **1. INTRODUCTION**

On 7 July 2025, the Company announced of its intention to seek shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming 14<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide you with details of the Proposed New Shareholders' Mandate and to seek shareholders' approval for Ordinary Resolution 11 to be tabled under the agenda of 'Special Business' at the forthcoming 14<sup>th</sup> AGM of the Company.

### **SHAREHOLDERS' MANDATE OBTAINED ON 27 FEBRUARY 2025**

At the Extraordinary General Meeting held on 27 February 2025, the Company obtained shareholders' approval to enter into RRPTs with DMIA Group for engineering, procurement, construction and commissioning of public mobility and transportation projects. In line with the revised business strategy and projects expansion, the abovementioned mandate for RRPTs approved by the shareholders will not be tabled for renewal due to the changes in the scope of works.

### **2. PROVISIONS UNDER THE LISTING REQUIREMENTS**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPTs which are necessary for its day-to-day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;

- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
  - (a) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
  - (b) the percentage ratio of such RRPTs is 1% or more,
 whichever is the higher;
- (iii) the issuance of a circular to shareholders by the listed issuer, which includes the information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the relevant Related Party shall comply with the following:-
  - (a) a Related Party with any interest, whether direct or indirect, in the RRPT ("**Interested Related Party**"), must not vote on the resolution in respect of the RRPT;
  - (b) an Interested Related Party who is a Director or Major Shareholder must ensure that the Persons Connected abstain from voting on the resolution in respect of the RRPT; and
  - (c) where the Interested Related Party is a Person Connected, such persons, as the case may be, must not vote on the resolution in respect of the RRPT; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

### 3. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

#### 3.1 Principal activities of our Group

We are principally involved in investment holding, general trading and provision of management services. The principal activities of our subsidiaries as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
ENERSOL Co Ltd	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
FNX	100	Investment holding
PCL	94.7	Construction of electrical substation and transmission line
PESTECH (PNG) Ltd	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	100	Provision of electrical mechanical and civil engineering, subcontracting and engineering services and its related products

<b>Company</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
PEN	100	Provision of design and supply of remote-control systems and data communication products, renewable energy and its related services
PPW	100	Investment holding and provision of establishing electric power transmission concessions
PESTECH Aerotrain Sdn Bhd	100	Investment holding
PSB	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. PSB is also principally involved in investment holding
PESTECH System Siam Ltd	99.99	Inactive
PTE	100	Provision of design, engineering, supply and commissioning of plant systems for power plants and rail electrification projects
PTR	100	Provision of comprehensive power system engineering and technical solutions for design, procurement, construction, commissioning of high voltage and extra high voltage substations, transmission lines and underground cables
PESTECH Vietnam Company Limited	100	Inactive
<b><u>Subsidiary of PCL</u></b> PML	94.7	Provision of project management, electrical substations, transmission line erection and installation, supervision of testing and commission and civil works
<b><u>Subsidiary of PML</u></b> PHC	56.8	Establish infrastructure for power sector and promote the power segments such as power generation, power transmission and power distribution
<b><u>Subsidiary of PEN</u></b> PESTECH Solutions Sdn Bhd	100	Marketing and trading of meters, high-voltage direct current (HVDC) electrical power transmission system and any other ancillary peripherals and/or products
<b><u>Subsidiary of PHC</u></b> PESTECH Microgrid Company Limited	51.1	Provision of microgrid system and other power infrastructure to the rural areas in Myanmar
<b><u>Subsidiaries of PPW</u></b> Diamond Power Ltd	60	Supplying, installing, maintaining, repairing and operating power substation and power transmission (Inactive after the disposal of concession asset)
PP1	100	Establish, commissioning, operating, maintaining, distributing and dealing in electric power transmission concessions
ASF	100	Investment holding
PESTECH REI Sdn Bhd	90	Inactive

<b>Company</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
PESTECH Pluginfinite Sdn Bhd	100	Investment holding and provision of electric vehicles charging facilities, green renewable energy services and other ancillary services
<b><u>Subsidiary of PP1</u></b> ODM Power Line Company Limited	70	Construction of electrical substation and transmission line
<b><u>Subsidiary of ASF</u></b> Green Sustainable Ventures (Cambodia) Co Ltd	94	Establish infrastructure for power sector such as electric power generation, power transmission, power distribution and operation in Cambodia
<b><u>Subsidiaries of PSB</u></b> PESTECH (Brunei) Sdn Bhd	90	Inactive
PESTECH Transmission Limited	100	Inactive
<b><u>Subsidiary of PTE</u></b> CRSE Sdn Bhd	100	Provision of project management, engineering, design, procurement, construction and related support services in relation to railway electrical and mechanical projects
<b><u>Subsidiary of PTR</u></b> PESTECH Transmission CDI SARL	100	Construction services

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## Principal activities of DMIA Group

DMIA is principally involved in the engineering, procurement, construction and commissioning of public mobility and transportation (railways and highways), railway engineering and technology and real estate development. The principal activities of the subsidiaries of DMIA as at the LPD are as follows:-

Company	Effective equity interest (%)	Principal activities
Silver Field Land Sdn Bhd	100	Construction, property development, project management and purchase and sale of properties and land
Dhaya Maju PVATM (M) Sdn Bhd	*80	Construction and development of properties and infrastructure
Richfield Builder (M) Sdn Bhd	100	Construction and development of properties
DMIA Kansai Resources Sdn Bhd	100	Construction and engineering
Monorail Mobility Int Berhad	100	Railway technology and manufacturing
Dhaya Maju Resources Ltd	100	Holding company, road and railway construction
DMIA Builders (Thailand) Co Ltd	100	Construction of railways, roads and infrastructure
Dhaya Maju LTAT Sdn Bhd	*80	Construction of roads and railways
DMIA Land (India) Private Limited	*99.99	Infrastructure development
Jabalpur Corridor (India) Private Limited	*99.89	Infrastructure development
Eastern Railways Sdn Bhd	64	Dealing in railway business
Dhaya Maju Corporation Limited	100	Construction of railways, engineering, infrastructure, motorway builder, investment and others
Zelleco Engineering Sdn Bhd	70	Steel structure fabrication, engineering, procurement and construction and operation of power generation from renewable energy and solar.
Citaglobal Energy Sdn Bhd	80	Construction and fabrication of oil and gas equipment and materials.

**Note:-**

\* The minority interest is held by the nominees of DMIA and hence it has been consolidated as a wholly-owned subsidiary of DMIA without minority interest.

### 3.2 Classes of Related Party and nature of the RRPTs

The RRPTs which will be entered into by our Group and the Related Parties under the Proposed New Shareholders' Mandate are set out below:-

Transacting parties		Nature of the RRPTs	Interested Directors/Major Shareholders	Estimated value from forthcoming 14th AGM to the next AGM in 2026^
Companies involved	Related Parties			(RM'000)
PESTEC Group	DMIA Group		<p>(i) PESTEC Group to provide services and/or sales of related products to DMIA Group in respect of the engineering, procurement, construction and commissioning of public mobility and transportation (railways and highways), railway engineering and technology, which includes but not limited to the following:-</p> <p>(a) provision of subcontracting services of design and build turnkey for power supply and distribution system, rail electrification which covers overhead catenary systems, conductor rail and traction power systems (AC and DC), replacement with hydrogen-powered or battery-powered systems, signaling, communications, automated people mover and other rail related services;</p> <p>(b) provision of operation, repair and maintenance services for rail equipment and other ancillary services;</p> <p>(c) procurement of rail related components required for the projects undertaken by PESTEC Group and/or DMIA Group;</p> <p>(d) provision of training and technical knowledge transfer to develop and upskill the project teams of PESTEC Group and/or DMIA Group;</p> <p>(e) project management services for the projects undertaken by PESTEC Group and/or DMIA Group to ensure timely delivery of the projects;</p> <p>(f) development and system integration of solutions relating to the projects undertaken by PESTEC Group and/or DMIA Group; and</p> <p>(g) supply of advisory and/or manpower to support the projects undertaken by PESTEC Group and/or DMIA Group.</p>	<p><u>Interested Major Shareholders</u></p> <p>(i) DMIA</p> <p>(ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(iii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p><u>Interested Directors</u></p> <p>(i) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(ii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p>(iii) Datuk Shaharuddin Bin Md Som<sup>(3)</sup></p>

Transacting parties		Nature of the RRPTs	Interested Directors/Major Shareholders	Estimated value from forthcoming 14th AGM to the next AGM in 2026^
Companies involved	Related Parties			(RM'000)
PESTEC Group	DMIA Group		<p>(ii) PESTEC Group to provide services and/or sales of related products to DMIA Group in respect of the engineering, procurement, construction and commissioning of renewable energy projects such as large scale solar, Battery Energy Storage System (“<b>BESS</b>”) and other renewable energy electrification projects, which includes but not limited to the following:-</p> <p>(a) design, installation and commissioning of electrical power system and infrastructures;</p> <p>(b) technical advisory and support in respect of electrical power system and infrastructures;</p> <p>(c) electrification and power automation services for energy related plants, which includes solar farm, battery energy storage system, thermal, hydro and waste energy facilities;</p> <p>(d) sale and/or installation of power related products and solutions, which includes systems to monitor substations, renewable energy solutions for power microgrids, electric vehicle (EV) charging and Advanced Metering Infrastructure (AMI) solutions;</p> <p>(e) design, engineer, construct civil and structural substation building or foundation for containerized BESS in greenfield or brownfield location and/or manpower undertaken by PESTEC Group and/or DMIA Group;</p> <p>(f) civil construction management;</p> <p>(g) architectural, civil &amp; structural, building mechanical &amp; electrical and civil construction work; and</p> <p>(h) civil construction for transmission line.</p>	<p><u>Interested Major Shareholders</u></p> <p>(i) DMIA</p> <p>(ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(iii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p><u>Interested Directors</u></p> <p>(i) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(ii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p>(iii) Datuk Shaharuddin Bin Md Som<sup>(3)</sup></p>

Transacting parties		Nature of the RRPTs	Interested Directors/Major Shareholders	Estimated value from forthcoming 14th AGM to the next AGM in 2026^ (RM'000)
Companies involved	Related Parties			
PESTEC Group	DMIA Group	<p>(iii) DMIA Group to provide services and/or sales of related products to PESTEC Group in respect of the engineering, procurement, construction and commissioning of infrastructure, civil and structural works, which includes but not limited to the following:-</p> <p>(a) provision of subcontracting services of design and build turnkey for infrastructure, civil and structural works and other rail related services;</p> <p>(b) provision of operation, repair and maintenance services for infrastructure, civil and structural works and other rail related services, rail equipment and other ancillary services;</p> <p>(c) procurement of rail related components required for the projects undertaken by PESTEC Group and/or DMIA Group;</p> <p>(d) provision of training and technical knowledge transfer to develop and upskill the project teams of PESTEC Group and/or DMIA Group;</p> <p>(e) project management services for the projects undertaken by PESTEC Group and/or DMIA Group to ensure timely delivery of the projects;</p> <p>(f) development and system integration of solutions relating to the projects undertaken by PESTEC Group and/or DMIA Group; and</p> <p>(g) supply of advisory and/or manpower to support the projects undertaken by PESTEC Group and/or DMIA Group.</p>	<p><u>Interested Major Shareholders</u></p> <p>(i) DMIA</p> <p>(ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(iii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p><u>Interested Directors</u></p> <p>(i) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai<sup>(1)(2)</sup></p> <p>(ii) Datuk Mohamed Razeek Bin Md Hussain Maricar<sup>(1)(2)</sup></p> <p>(iii) Datuk Shaharuddin Bin Md Som<sup>(3)</sup></p>	250,000

**Notes:-**

^ The estimated value as set out above is based on our management's estimates of the value of transactions to be undertaken for the period from the forthcoming AGM to the next AGM. However, the value of transactions may be subject to changes.

(1) Deemed interested by virtue of his direct shareholdings in DMIA pursuant to Section 8 of the Act.

(2) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai and Datuk Mohamed Razeek Bin Md Hussain Maricar are both the directors and major shareholders of PESTEC and DMIA.

(3) Datuk Shaharuddin Bin Md Som is a director of PSB and DMIA, and a substantial shareholder in DMIA.

### 3.3 Amount due and owing to our Group by the Related Parties

As at 31 March 2025, the total outstanding amounts due from the Related Parties pursuant to the recurrent related party transaction which exceeded the credit terms for the following periods are set out below:

<b>1 year or less</b>	<b>More than 1 year to 3 years</b>	<b>More than 3 years to 5 years</b>	<b>More than 5 years</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
11,792	20	1,178	15,920

The above amounts due from the Related Parties are related to a project awarded to PESTEC Group in 2016 for a total contract sum of RM318.0 million. The Related Party became a major shareholder of PESTEC on 18 December 2024.

### 3.4 Review procedures for the RRPTs

Our Board has in place the following internal control procedures to ensure that transactions with the Related Parties are conducted on transaction prices not more favourable to the Related Party than those generally available to the public, at arm's length basis and based on normal commercial terms consistent with our Group's usual business practices and are not prejudicial to the interests of the minority shareholders:-

- (i) the pricing of transactions with a Related Party will take into account the pricing, prevailing market rates and conditions, quality, availability, timing of delivery and other related facts. The final pricing of transactions with a Related Party shall not be at terms more favourable than the prevailing market practices;
- (ii) all transactions entered/to be entered into pursuant to the Proposed New Shareholders' Mandate have been/will be tabled to our Audit Committee on a quarterly basis for its review of compliance with the above. In its review of such transactions, our Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources;
- (iii) records will be maintained by our Company to capture all RRPTs entered into pursuant to the Proposed New Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) our Audit Committee shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committee(s) within our Company as they deem appropriate;
- (v) where any of our Directors has an interest, whether direct or indirect, in a RRPT, such Director(s) shall abstain from all deliberations and voting on that matter in our Board's deliberations of such transaction. Where any member of our Audit Committee is interested in a RRPT, that member shall abstain from voting on any matter relating to any decisions to be taken by our Audit Committee with respect to such transaction;
- (vi) immediate announcement will be made when the actual amount of a RRPT exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more;
- (vii) disclosure will be made in our Annual Report of the aggregate value of transactions conducted pursuant to the Proposed New Shareholders' Mandate; and
- (viii) at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that the quotations or comparative pricings from unrelated third parties could not be obtained, the transaction prices will then be based on normal business practice of our Group. There are no thresholds for approval of RRPTs within our Group. However, all RRPTs are reviewed and authorised by 2 personnel of at least managerial level, provided always that such personnel has no interest in the transaction.

### **3.5 Statement by our Audit Committee**

Our Audit Committee has reviewed the procedures set out in Section 3.4 of this Circular and is of the view that the review procedures for RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with our Group's normal commercial terms, and on terms which are not more favourable to the Related Party than those generally available to the public, and hence, will not be detrimental to the minority shareholders. Any member of our Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

Our Audit Committee is satisfied that our Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and the review of these procedures and processes will be conducted on an annual basis.

## **4. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The RRPTs to be entered into by our Group with the Related Parties in the Proposed New Shareholders' Mandate are in the ordinary course of business and are deemed necessary for our Group's day-to-day operations and growth prospects. The RRPTs are recurring transactions of a revenue or trading nature that contribute either directly or indirectly to the generation of our Group's revenue and cost structures. It should also be noted that engaging in these transactions with Related Parties will offer a distinct advantage to our Group as we are able to leverage on our familiarity with their background, reputation track record, financial standing and management practices. This familiarity empowers us to make well-informed commercial decisions. The close collaboration between our Group and the Related Parties at arm's length basis is expected to reap mutual benefits and strengthen our operations and business moving forward. We expect this strategic cooperation to deliver enhanced value to our Group's businesses, driving growth and sustained success.

These RRPTs are likely to occur with some degree of frequency and may arise at any time and/or from time to time thus, the procurement of the Proposed New Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPTs arise, thereby substantially reducing administrative time and expenses in convening such meetings.

The RRPTs to be entered into are undertaken at an arm's length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of our Company.

## **5. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The Proposed New Shareholders' Mandate will not have any effect on our Company's issued share capital and substantial shareholders' shareholdings. The Proposed New Shareholders' Mandate is not expected to have any material effect on the earnings, earnings per share, net assets and gearing of our Group.

## **6. APPROVALS REQUIRED**

The Proposed New Shareholders' Mandate is subject to the approval being obtained from the shareholders of our Company at the forthcoming 14<sup>th</sup> AGM or at any adjournment thereof.

## 7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed below, none of our Directors, Major Shareholders and/or Persons Connected have any interest, whether direct or indirect, in the Proposed New Shareholders' Mandate.

The direct and indirect shareholdings of the interested Directors and Major Shareholders in our Company as at the LPD are as follows:-

	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
<b><u>Interested Directors and Major Shareholders</u></b>				
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	-	1,565,124,037	(2)61.39
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	1,565,124,037	(2)61.39
Datuk Shaharuddin Bin Md Som	-	-	-	-
<b><u>Interested Major Shareholder</u></b>				
DMIA	1,565,124,037	61.39	-	-

### Notes:-

(1) Based on the total number of issued Shares of the Company of 2,549,679,408 Shares (excluding treasury shares) as at the LPD.

(2) Deemed interested by virtue of his direct shareholdings in DMIA pursuant to Section 8 of the Act.

Accordingly, the interested Directors have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings in relation to the Proposed New Shareholders' Mandate. The interested Directors and Major Shareholders will also abstain from voting, in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

In addition, the interested Directors and Major Shareholders have undertaken to ensure that all Persons Connected will abstain from voting in respect of their direct and/or indirect interest, if any, on the Ordinary Resolution 11 pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 14<sup>th</sup> AGM.

## 8. DIRECTORS' STATEMENT/RECOMMENDATION

After considering all aspects of the Proposed New Shareholders' Mandate, our Board (save for the interested Directors) is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of our Company and recommend that you vote in favour of the Ordinary Resolution 11 pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 14<sup>th</sup> AGM.

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**9. 14<sup>TH</sup> AGM**

The Notice dated 3 August 2025 to convene the 14<sup>th</sup> AGM of the Company to inter alia, consider and if thought fit, to pass the ordinary resolution pursuant to the Proposed New Shareholders' Mandate has been despatched to shareholders. The 14<sup>th</sup> AGM will be held at Dewan Berjaya, Bukit Kiara Equestrian and Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 September 2025 at 10.00 a.m.

If you are unable to attend, speak and vote in person at the 14<sup>th</sup> AGM, please complete, sign and return the Form of Proxy which has been despatched to you, in accordance with the instructions contained therein as soon as possible, and in any event so as to arrive at the office of our Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time and date stipulated for the holding of the AGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not prevent you from attending, speaking and voting in person at the AGM should you subsequently wish to do so.

**10. FURTHER INFORMATION**

You are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**PESTEC INTERNATIONAL BERHAD**  
(formerly known as **PESTECH International Berhad**)

**TAN SRI DATO' SERI MOHD ZUKI BIN ALI**  
Independent Non-Executive Chairman

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**FURTHER INFORMATION**


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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, neither the Company nor the Group has entered into any contracts which are or may be material (not being contracts entered into the ordinary course of business of the Group) within 2 years immediately preceding the date of this Circular:-

- (i) conditional subscription agreement dated 24 July 2023 entered into between PESTEC and IJM Corporation Berhad ("**IJM**") for a restricted issue of 800,000,000 new ordinary shares in PESTEC ("**Share(s)**"), representing approximately 81.25% of the total number of issued Shares of PESTEC (excluding treasury shares) to IJM at an issue price of RM0.155 per Share ("**Subscription Agreement 2023**"). PESTEC and IJM had on 15 August 2024 mutually terminated the Subscription Agreement 2023 due to non-fulfilment of the conditions precedent pursuant to the Subscription Agreement 2023;
- (ii) share sale and purchase agreement dated 1 April 2024 entered into between FNX, a direct wholly-owned subsidiary of PESTEC, and Resintech Berhad for the disposal of its 100% equity interest in Forward Metal Works Sdn Bhd for a total cash consideration of RM5.4 million;
- (iii) equity interest transfer agreement dated 5 May 2024 entered into between PESTEC and PESTECH Engineering Technology Hong Kong Limited for the disposal of 100% equity interest in PESTECH Engineering Technology China Co Limited for a total cash consideration of USD520,000 to be paid within 2 years upon completion of change of registration procedures;
- (iv) sale and purchase agreement dated 6 August 2024 entered into between FNX, a direct wholly-owned subsidiary of PESTEC and A2Z Warehouse Sdn Bhd for the disposal of freehold industrial land at Daerah Kuala Selangor, measuring approximately 12,205 square metre in area, for a total cash consideration of RM8.4 million;
- (v) heads of agreement dated 16 August 2024 entered into between PESTEC and DMIA ("**Subscriber**") for the subscription by the Subscriber of a minimum of 1,032,720,000 new Shares, representing not less than 51% of the total enlarged issued share capital of PESTEC, at a subscription price of RM0.155 per Share for cash;
- (vi) shares sale agreement dated 30 August 2024 entered into between PSB and Mr. Haresh Mirpuri for the disposal of PSB's 38% equity interest in PESTECH Corporation in Philippines for a total cash consideration of PHP13,020,000;
- (vii) conditional subscription agreement dated 4 October 2024 entered into between PESTEC and DMIA for the subscription by DMIA of 1,333,335,000 new Shares to be issued by our Company to DMIA ("**Restricted Share(s)**") for a total subscription price of RM160,000,200 at an issue price of RM0.12 per Restricted Share for cash ("**Restricted Issue**"). The Restricted Issue was completed on 18 December 2024; and
- (viii) conditional subscription agreement dated 10 March 2025 entered into between PESTEC and DMIA for the subscription by DMIA of 231,789,037 new Shares to be issued by our Company to DMIA ("**Restricted Share(s)**") for a total subscription price of RM27,814,684.44 at an issue price of RM0.12 per Restricted Share for cash ("**Restricted Issue**"). The Restricted Issue was completed on 13 June 2025.

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**FURTHER INFORMATION**


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**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Save as disclosed below, as at the LPD, neither the Company nor the Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

(i) **Arbitration Proceedings, AIAC/D/AD-1225-2023, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) (Claimant) vs PTE and PESTEC (Respondents)**

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 18 December 2018, SPYTL and PTE entered into the sub-contracting agreement for the Gemas Project (“**SPYTL Sub-contracting Agreement**”).

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**”).

On 11 September 2023, SPYTL issued a Notice of Arbitration to commence arbitration against PTE (“**PTE Arbitration**”) for, amongst others, a declaration that the Notice of Termination for Default is valid and for damages to be assessed in respect of alleged breaches of the SPYTL Sub-contracting Agreement.

The PTE Arbitration is deemed commenced on 18 September 2023 pursuant to Rule 2(2) of the Asian International Arbitration Centre (“**AIAC**”) Arbitration Rules 2023.

On 5 October 2023, PTE served its Response to the Notice of Arbitration on SPYTL.

On 18 October 2023, SPYTL issued a Notice of Arbitration to commence arbitration against PESTEC (“**PESTEC Arbitration**”) for, amongst others, relief under the parent company guarantee dated 18 December 2018 provided by PESTEC in favour of SPYTL. On 10 November 2023, PESTEC served its Response to the Notice of Arbitration on SPYTL.

Both the PTE Arbitration and PESTEC Arbitration were consolidated on 6 December 2023 by the parties’ agreement pursuant to Rule 10.1 of the AIAC Arbitration Rules 2023. On 10 January 2024, the Arbitral Tribunal was fully constituted.

The arbitration proceedings between SPYTL, PESTEC and PTE are as follows, whereby PTE is seeking a set-off against all amounts claimed by SPYTL and has further filed a counterclaim against SPYTL for reliefs in respect of the issues arising from the termination of the SPYTL Sub-contracting Agreement. PESTEC is also seeking a set-off against all amounts claimed by SPYTL and has also filed a counterclaim against SPYTL.

Both parties have completed their pleadings. On 7 October 2024, they exchanged their respective bundles of documents.

On 13 November 2024, the parties requested the arbitral tribunal to extend the deadline to 6 December 2024 for filing the Request for Production of Documents and Objections as to Authenticity or Admissibility. The parties also agreed to a suspension until 15 January 2025 in respect of the payment of the advance preliminary deposit to the AIAC, and the arbitration proceedings, in particular, the existing timelines directed in the Procedural Timetable No. 2.

The Arbitration by request and consent of parties have been stayed until 15 January 2025. On 7 January 2025, PESTEC had issued a letter to its solicitors to the Arbitration Panel, whereby the Arbitration Panel was informed that PESTEC has filed a fresh case (Kuala Lumpur High Court, Civil Suit No. WA-22C-84-12/2024) (“**Suit 84**”) to challenge the initiation of Arbitration proceedings for want of jurisdiction. This matter has not been heard yet.

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**FURTHER INFORMATION**


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The Arbitration Panel has requested that a Case Management Session to be fixed to update on the proceedings in light of the abovementioned fresh case on 8 May 2025. In the interim, the Arbitration Panel has vacated the November hearing dates.

On 8 May 2025, PTE and PESTEC had informed the Arbitral Tribunal of its intension to proceed with Suit 84 instead of Arbitration. The Arbitral Tribunal has requested that SPYTL revert with its stance. SPYTL has replied to the Arbitral Tribunal that it wishes to halt the progress until the hearing of SPYTL Stay Appeal on 26 May 2025.

As at to-date, PTE and PESTEC are awaiting the issuance and confirmation of new Trial dates and a Case Management Schedule.

The instructing solicitors acting for PTE and PESTEC are unable to determine the financial outcome at this juncture.

(ii) **Kuala Lumpur High Court, Civil Suit No. WA-22C-44-06/2023, PESTECH Sdn Bhd (“PSB”) (Plaintiff) vs SPYTL (Defendant)**

On 20 June 2023, PSB filed a writ at the Kuala Lumpur High Court (“**Writ**”) together with an Ex-Parte Notice of Application (“**Application**”) against SPYTL to, amongst others:

- (i) restrain SPYTL from trespassing, utilising and/or otherwise tampering with machineries belonging to PSB until the disposal of PSB’s Writ; and
- (ii) injunct SPYTL to return and/or deliver the machineries to PSB.

During the case management on 10 January 2024, SPYTL informed the High Court that they have filed the application for stay of proceedings (“**SPYTL Stay Application**”) on 8 January 2024. In view that the SPYTL Stay Application has been filed, the High Court directed that all other pre-trial case management directions be suspended pending disposal of the SPYTL Stay Application.

On 11 July 2024, the High Court Judge dismissed the SPYTL Stay Application with costs in the cause, and directed the parties to comply with the pre-trial case management directions by the next case management on 11 September 2024.

On 26 July 2024, SPYTL filed an appeal to the Court of Appeal against the High Court Judge’s decision in respect of the SPYTL Stay Application (“**SPYTL Stay Appeal**”).

During the case management on 11 September 2024, the High Court Judge directed that the trial dates are fixed on 16 June 2025 to 18 June 2025 and 23 June 2025 to 25 June 2025, and the next case management is fixed on 28 November 2024 for parties to update the High Court Judge on the status of the case and the SPYTL Stay Appeal.

During the case management for the SPYTL Stay Appeal on 22 October 2024, the Court of Appeal Registrar fixed the hearing date of the SPYTL Stay Appeal on 26 March 2025 and the next case management on 12 March 2025.

With regards to the Main Suit, the High Court fixed the trial to be conducted on 16 June 2025 to 18 June 2025 and 23 June 2025 to 25 June 2025.

SPYTL has filed a Notice for Directions seeking a stay of proceedings pending the outcome of the Arbitration. Upon submissions from parties, The High Court Judge had reserved his judgement for directions on the same until disposal of the SPYTL Stay Appeal which is fixed for 26 May 2025.

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**FURTHER INFORMATION**


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On 27 May 2025, the Honourable Court has vacated the trial dates previously fixed on 16 June 2025 to 18 June 2025 and 23 June 2025 to 25 June 2025, and has re-fixed the trial on 6 October 2025 to 8 October 2025. The Court has also fixed a case management on 14 August 2025 for further directions and to update on the status of the stay application by SPYTL at the Court of Appeal.

The instructing solicitors acting for PSB are unable to determine the financial outcome at this juncture.

(iii) **Kuala Lumpur High Court, Civil Suit No. WA-22C-84-12/2024, PTE and PESTEC (Plaintiffs) vs SPYTL (Defendant)**

On 7 December 2024, PTE and PESTEC filed an action based on the matters of the Arbitration Proceedings as detailed above. PTE and PESTEC had also filed an Injunction Application to restrain the Arbitration Proceedings for want of jurisdiction based on the fact that the Arbitration Panel cannot determine any issues concerning liquidity of PTE as stipulated in the contract terms between PTE and SPYTL.

In response, SPYTL had also filed an Arbitration Stay Application on 19 December 2024.

This matter was fixed for case management on 3 January 2025 before the Kuala Lumpur High Court wherein filing directions was issued and both applications were fixed for hearing on 26 February 2025.

There were no directions for filing of any defence by SPYTL and this is predicted to be given after the two applications as mentioned above are disposed of.

Upon lengthy submissions from all counsels present on both applications, the Learned Judge directed the parties to file further written submissions. These submissions are to be filed on or before 14 March 2025.

On 11 April 2025, the Learned High Court Judge proceeded to dismiss PTE and PESTEC's Application and proceeded to allow SPYTL's application. PTE and PESTEC have filed appeals against the decision. Both appeals are at the preliminary stage and have yet to be fixed for hearing. On 21 May 2025, the Honourable Court during the Case Management session via e-review had fixed the hearing for PESTEC and PTE's Erinford Injunction Application on 18 June 2025.

On 18 June 2025, in regards to Suit 84, the Honourable Court had dismissed the Erinford Injunction Application. The High Court also directed PESTEC and PTE to write to the Court of Appeal to expedite the hearing of Enclosure 3 on Anti Arbitration Injunction Application filed by PESTEC and PTE ("**Appeal 807**"), Enclosure 8 on Arbitration Stay Application ("**Appeal 808**") filed by SPYTL and Civil Appeal W-02(IM)(C)-1248-07/2024 ("**Appeal 1248**") with regards to PSB.

On 25 June 2025, the Court of Appeal had heard the Motions by SPYTL to have appeals for Appeal 807 and Appeal 808 filed by SPYTL to be heard together with Appeal 1248. The costs were ordered to be in the cause.

Appeals 807, 808 and 1248 have been fixed for Final Case Management by E-Review on 4 August 2025. The Hearing date for all Appeals to be heard together has been fixed for 18 August 2025.

The instructing solicitors acting for PTE are unable to determine the financial outcome at this juncture.

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**FURTHER INFORMATION**


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- (iv) **Shah Alam High Court, Civil Suit No. BA-22NCvC-118-03/2024, Jalur Tegas Sdn Bhd (“Jalur Tegas”) (Plaintiff) vs PTE (Defendant) (In the Original Action); PTE (Plaintiff) vs Jalur Tegas and Mohd Rizal bin Abdul Ghani (“Mohd Rizal”) (Defendants) (In the Counterclaim)**

On 21 March 2024, Jalur Tegas initiated an action against PTE for RM1,037,369.76, being the amount due and owing for supply of manpower (**“Original Action”**).

PTE has filed a counterclaim against Jalur Tegas for breach of its obligations to supply the manpower in accordance with the purchase order, seeking RM3,000,000.00 as compensation for the loss and damage suffered by PTE. Additionally, PTE has filed a counterclaim against both Jalur Tegas and Mohd Rizal for unlawful conspiracy, alleging that the Defendants conspired with the intent to injure PTE’s business resulting in the termination of the SPYTL Sub-contracting Agreement and the failure to declare Mohd Rizal’s conflict of interest, as he was also working for SPYTL at the time. Alternatively, PTE is seeking an assessment of damages for these claims (**“PTE Counterclaim”**).

Jalur Tegas has applied for summary judgment in respect of the Original Action (**“Summary Judgment Application”**) and to strike out the PTE Counterclaim (**“Striking Out Application”**). The parties have filed the relevant affidavits, submissions and reply submissions in respect of the Summary Judgment Application and the Striking Out Application.

The Court has delivered its decision on 21 June 2025 which is as follows:

1. In respect of the Summary Judgement Application, the learned Judge has dismissed Jalur Tegas’s application, with costs in the cause.
2. In respect of the Striking Out Application to strike out the Counterclaim that has been filed by PTE, the learned Judge dismissed the application by the 1<sup>st</sup> Defendant (Jalur Tegas) but allowed the application by the 2<sup>nd</sup> Defendant (Mohd Rizal bin Abdul Ghani) with costs in the cause, resulting in the Counterclaim filed by PTE against Rizal being struck out.

The Court had also fixed a case management on 27 May 2025 before the learned Judge. During the case management, the Court had given directions pertaining to the filing of pre-trial case management documents and had fixed trial dates for this matter on 6<sup>th</sup> and 7<sup>th</sup> August 2025. In this regard, a further case management has been fixed on 24 July 2025 for parties to update the Court on compliance with the pre-trial case management directions.

PTE had filed an appeal against the decision in respect of the Striking Out Application on 8 July 2025 (**“Appeal”**). The first case management in relation to the Appeal has been fixed on 6 October 2025.

As a result of which, PTE filed an application to stay the proceedings in the High Court pending the disposal of the Appeal (**“Stay Application”**) which was filed on 23 July 2025.

During the case management before the trial Judge of the High Court on 24 July 2025, the Court has agreed to vacate the trial date on 6 August 2025 in light of the Stay Application filed. The Court had then fixed the hearing for the Stay Application to take place on 7 August 2025. The Court had also requested the parties to attend Court on 7 August 2025 for a Court led mediation to explore an amicable settlement of this matter.

The instructing solicitors acting for PTE are unable to determine the financial outcome at this juncture.

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**FURTHER INFORMATION**


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(v) **Shah Alam High Court, Civil Suit No. BA-22NCC-152-08/2024, Siemens Malaysia Sdn Bhd (“Siemens”) (Plaintiff) vs PESTECH Energy Sdn Bhd (“PEN”) and PESTEC (Defendants)**

On 16 August 2024, Siemens commenced an action against PEN for the non-payment of invoices issued in the amount of RM14,370,844.31 and late payment interest amounting to RM1,744,258.66.

In the same action, PESTEC has been named as a defendant pursuant to the corporate guarantee dated 20 October 2022 provided by PESTEC in favour of Siemens, in which Siemens is demanding the sum of RM9,060,000.00.

On 16 August 2024, Siemens served the writ and Statement of Claim on PEN and PESTEC. On 2 September 2024, the instructing solicitors acting for PEN and PESTEC entered an appearance on behalf of both parties and filed a defence against the claims accordingly.

The parties have filed their respective pleadings in accordance with the directions of the Court.

Siemens filed an application for summary judgment (“**Summary Judgment Application**”) on 4 December 2024, for which all affidavits, submissions and reply submissions have been filed and served accordingly.

On 29 April 2025, the Court delivered its decision in respect of the Summary Judgment Application and has allowed the Summary Judgement Application wherein a summary judgment had been entered against PEN for the principal amount of RM14,370,844.31 with late payment interest of RM1,744,258.66 as at 31 May 2024, with interest of 1% per month accruing until full and final realisation of the debt due, and cost of RM6,000.00 payable by PEN to Siemens. In respect of PESTEC, the Court has declared that paragraph 3 of the Corporate Guarantee dated 20 October 2022 will be applicable in respect of the guaranteed sum of RM9,060,000.00 provided for therein. Parties are presently in disagreement with the wording of the order given by the High Court in relation to PESTEC. The matter is now fixed for clarification before the High Court Judge on 23 May 2025.

Further, PESTEC and PEN have filed an appeal against the decision in respect of the Summary Judgement on 2 May 2025 (“**Appeal**”) as well as an application to stay the execution of the Summary Judgement obtained by Siemens (“**Stay Application**”) which was filed on 5 May 2025. The first case management in relation to the Appeal and Stay Application have been fixed on 31 July 2025 and 27 May 2025 respectively.

During the case management on 27 May 2025 in respect of the Stay Application, the Court given directions in respect of the same and has fixed the decision in respect of the Stay Application on 31 July 2025.

However, parties have recently successfully negotiated and reached an agreement on terms of an amicable settlement of this matter. Following the terms of the said settlement, PEN and PESTEC had withdrawn the Appeal on 3 July 2025. As such, the case management before the Court of Appeal, fixed on 31 July 2025 was vacated. The Stay Application was withdrawn by way of a letter to the High Court dated 3 July 2025 which was then duly allowed and recorded by the High Court during the case management on 10 July 2025.

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**FURTHER INFORMATION**


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(vi) **Arbitration, Shandong Power Equipment Co Ltd (“SPECO”) (Claimant) vs PSB (Respondent)**

On 17 October 2024, PSB received 4 Notices of Arbitration dated the same day (“**Notices of Arbitration**”) demanding payment of the remaining 10% contract price due and owing to SPECO under the purchase agreements between SPECO and PSB. The purchase agreements pertain to the design, engineering, design review, supply, manufacturing, full type and special testing, factory testing, packaging and delivery of autotransformers and power transformers, as well as ancillary accessories supplied by SPECO to PSB for the Lachau Project, Junjung Project, Sibiyu Project and Olak Lempit Project (all of which as defined below).

The amounts claimed under each purchase agreement for the respective projects are as follows:

- (a) establishment of Lachau 275kV/33kV Substation Extension Project, Sarawak (“**Lachau Project**”) – Chinese Yuan (“**CNY**”) 538,000.00 (equivalent to RM325,598);
- (b) establishment of PMU 500kV/275kV Junjung (3X1050MVA), Kedah (“**Junjung Project**”) – CNY5,779,410.27 (equivalent to RM3,497,699);
- (c) establishment of Sibiyu 132kV/33kV Substation Extension Project, Sarawak (“**Sibiyu Project**”) – CNY1,228,000.00 (equivalent to RM743,186); and
- (d) establishment of PMU 500/275kV Olak Lempit, Selangor (“**Olak Lempit Project**”) – USD672,000.00 (equivalent to RM2,898,336).

On 11 November 2024, PSB received a notification from the AIAC that, pursuant to Rule 2(2) of the AIAC Arbitration Rules 2023, arbitral proceedings between SPECO and PSB had commenced on 30 October 2024.

On 18 November 2024, PSB responded to the Notices of Arbitration, denying the claims related to the remaining 10% of the contract price under each purchase agreement, the basis of the claims and any purported damages claimed by SPECO.

PSB further contended that SPECO’s failure to comply with the supply specifications under the respective purchase agreements constituted a material breach of the agreements, causing PSB to incur additional costs as a result of the breach. PSB also asserted that SPECO is not entitled to the final 5% of the contract price as the defect liability period (“**DLP**”) has not ended and there are issues in respect of the goods and services supplied.

In this regard, PSB seeks to set off all the amounts claimed by SPECO under the respective purchase agreements and intends to counterclaim against SPECO for, amongst others, the additional costs incurred by PSB for rectification works.

Presently, the amounts that PSB seeks to set off are as follows:

- (a) Lachau Project – RM1,583,548.75;
- (b) Junjung Project – RM381,411.85;
- (c) Sibiyu Project – RM194,435.30; and
- (d) Olak Lempit Project – RM1,362,260.75.

The parties are now required to agree on the appointment of an arbitrator, failing which the appointment will be referred to the AIAC. Further, both parties are required to make payment of the provisional advance deposit of USD1,366.78 (“**PAD**”) to the AIAC. In this regard, PSB has made the payment for PAD on 11 December 2024.

Both parties are also seeking for all 4 disputes to be consolidated and heard by a single arbitrator.

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**FURTHER INFORMATION**


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The issues on the classification of arbitration and the consolidation of proceedings will be determined before the arbitral tribunal once the PAD is duly paid by both parties and the arbitral tribunal is constituted.

**Settlement Negotiation**

By virtue of the meetings between SPECO and PSB on 26 November 2024 and 28 November 2024 respectively, the parties have agreed to settle the matter in accordance with the following agreed terms:

- (a) PSB to settle the outstanding sum in the amount of USD595,101.35 in 2 equal monthly instalments. The first instalment has been mutually agreed by the parties to be made by end of January 2025 and the second instalment before 28 February 2025.
- (b) Additional cost in rectifying the defects in the supply incurred by PSB in the amount of USD516,910.34 to be offset against the amount payable to SPECO upon the expiry of the DLP.
- (c) Following the offsets, the total amount due and payable to SPECO is RMB2,522,526.81 ("**Remaining Balance**"). The Remaining Balance shall be payable to SPECO upon the expiry of the DLP for the Junjung Project and within 30 days from the date of receipt of the invoice.
- (d) The parties to issue invoices for the respective amounts payable to each party.

By virtue of the settlement agreement (acknowledged by SPECO by way of an email to PSB on 17 January 2025), whereby PSB has agreed to make payment of USD595,101.35 ("**Outstanding Sum**") and the Remaining Balance. The latter is to be paid to SPECO after the expiry of the DLP for the Junjung Project, ending on 23 November 2028.

In accordance with the settlement agreement, PSB has made the first and second instalments in respect of the Outstanding Sum of USD297,550.60 on 28 January 2025 and 21 March 2025, respectively. The withdrawal of the arbitration proceedings shall be done by SPECO in due course.

(vii) **Shah Alam High Court Summon No. BA-22NCC-128-07/2025, Lim Ah Hock (1<sup>st</sup> Plaintiff)** and **Lim Pay Chuan (2<sup>nd</sup> Plaintiff) vs PESTEC (Defendant)**

On 21 July 2025, PESTEC received a Writ of Summon together with a Statement of Claim, both dated 3 July 2025 filed by Lim Ah Hock and Lim Pay Chuan ("Plaintiffs"). The Plaintiffs have jointly and severally claim against PESTEC a total sum of RM17,518,737.70 being advances provided to PESTEC.

The total amount of claim by the 1st Plaintiff against the Company is RM11,287,334.27 (inclusive of outstanding principal sum of RM10,250,000.00) due as at 31.3.2025 with further interests on the outstanding principal sums from 1 April 2025 to the date of full settlement.

The total amount of claim by the 2nd Plaintiff is RM6,231,403.43 (inclusive of outstanding principal sum of RM6,000,000.00) due as at 31.03.2025 with further interest at the rate of 8.4% per annum on the outstanding principal sum from 1 April 2025 to the date of full settlement.

The Court has fixed the matter for e-review case management on 4 August 2025.

The solicitors acting for PESTEC is currently assessing the legal position of the Company in the above claim.

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**FURTHER INFORMATION**

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**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 12, Menara Masyhur 2, 3 Jalan Semantan, Damansara Heights during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 14<sup>th</sup> AGM:-

- (i) the Constitution of PESTEC;
- (ii) the audited consolidated financial statements of PESTEC Group for the past 2 financial periods up to the financial period ended 31 March 2025;
- (iii) the unaudited consolidated financial statements of PESTEC for the financial period ended 31 March 2025;
- (iv) the material contracts referred to in **Section 2** of **Appendix I**; and
- (v) the relevant cause papers in relation to the material litigation referred to in **Section 3** of **Appendix I**.

## ORDINARY RESOLUTION 11

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

**"THAT**, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to PESTEC International Berhad (formerly known as PESTECH International Berhad) and its subsidiaries ("**PESTEC Group**" or the "**Group**") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in **Section 3.2** of the circular to shareholders dated 3 August 2025, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favorable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

**THAT**, the Proposed New Shareholders' Mandate is subject to annual renewal and if approved by the shareholders of the Company at the forthcoming AGM, the Proposed New Shareholders' Mandate shall take effect from the date of passing of the ordinary resolution for the Proposed New Shareholders' Mandate at the forthcoming annual general meeting ("**AGM**") and shall continue to be in force until:-

- (i) the conclusion of the next annual general meeting of the Company following the forthcoming AGM at which such ordinary resolution is passed to effect the Proposed New Shareholders' Mandate, at which time it shall lapse, unless the authority is renewed by an ordinary resolution passed at the said next AGM;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

**AND THAT** the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed New Shareholders' Mandate."