PESTEC

Energising Growth Sustainably

ANNUAL REPORT 2026

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ABOUT PESTEC

PESTEC International Berhad ("PESTEC" or "the Group") is a leading Malaysian integrated electrical power technology and infrastructure solutions provider listed on the Main Market of Bursa Malaysia Securities Berhad (Stock Code: 5219) since 2012.

Built upon decades of engineering expertise, the Group delivers comprehensive end-to-end solutions across the electrical power value chain, supporting the development of resilient, reliable and sustainable energy infrastructure both domestically and internationally.

The name PESTEC is derived from Power System Technology, reflecting the Group's commitment to advancing electrical power systems through engineering excellence, innovation and technological advancement. Over the years, PESTEC has established a strong reputation for delivering complex engineering projects that contribute to the development of modern power transmission, distribution and transportation infrastructure.

The Group's integrated capabilities encompass project management, engineering design, digitalisation, manufacturing, procurement, installation, testing and commissioning of electrical power infrastructure for utility companies, industrial customers and rail networks. Supported by highly skilled professionals and advanced engineering technologies, PESTEC delivers reliable, high-quality solutions that meet international standards while addressing the evolving needs of the energy industry.

Beyond Malaysia, PESTEC has successfully expanded its presence across regional and international markets including Cambodia, the Philippines, Thailand, Myanmar, Papua New Guinea and several countries throughout Asia, Africa and Oceania. The Group's growing international footprint reflects its proven project execution capabilities, technical expertise and long-standing commitment to delivering value for customers across diverse operating environments.

As the global energy landscape continues to evolve, PESTEC remains focused on supporting grid modernisation, renewable energy integration, smart grid technologies and digital transformation initiatives. Through continuous investment in innovation, talent development and operational excellence, the Group is well positioned to capture emerging opportunities arising from energy transition and the increasing demand for reliable electrical infrastructure.

At PESTEC, we believe long-term success is built upon strong partnerships, uncompromising quality and responsible business practices. By combining engineering expertise, innovative technologies and customer-centric solutions, we strive to deliver sustainable value to our clients, shareholders and stakeholders while contributing to the development of a more connected and sustainable future.

Today, PESTEC's core operations are organised into six complementary business segments that enable the Group to provide integrated solutions across the entire electrical power infrastructure ecosystem:

Transmission Line and Power Cables

HV and EHV Electrical System

Power Products and Smart Grid

Power Generation

Infrastructure Asset Management

Rail Electrification and Signalling

Together, these complementary business segments position PESTEC as a trusted engineering partner and a preferred electrical infrastructure solutions provider, committed to powering sustainable growth and creating long-term value for all stakeholders.

FINANCIAL HIGHLIGHTS

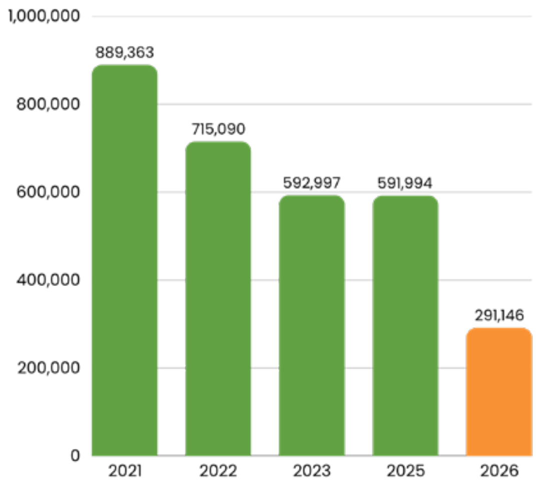
	12 months 31 Mar	18 months 31 Mar	15 months 30 SEP		
FYE/FPE	2026 [1]	2025	2023	2022	2021
PROFITABILITY					
Revenue (RM'000)	**291,146**	591,994	592,997	715,090	889,363
EBIT (RM'000)	**134,150**	(259,211)	(329,742)	47,221	125,197
(Loss)/Profit before tax (RM'000)	**92,789**	(333,634)	(389,923)	41,674	113,650
(Loss)/Profit after tax (RM'000)	**90,060**	(339,524)	(398,254)	37,330	102,680
(Loss)/Profit for the period/year attributable to the owners of the Company (RM'000)	**81,929**	(341,506)	(334,288)	9,982	64,846
(Loss)/Profit for the period/year attributable to the equity holder (RM'000)	**94,195**	(323,340)	(328,373)	13,726	66,213
(Loss)/Profit for the period/year attributable to the owner (RM'000)	**81,929**	(341,506)	(334,288)	9,982	64,846
Finance Cost (RM'000)	**59,730**	121,151	108,329	64,086	60,296
EBITDA (RM'000)	**145,201**	(239,424)	(304,036)	65,726	142,955
FINANCIAL POSITION					
Total assets (RM'000)	**1,546,317**	1,858,263	2,501,289	3,030,744	2,704,332
Share capital (RM'000)	**420,757**	392,942	232,942	232,942	212,672
Shareholders' equity (RM'000)	**352,228**	244,722	474,508	927,483	761,712
Total bank borrowings (RM'000)	**625,501**	960,016	1,116,408	1,361,505	1,249,723
FINANCIAL RATIO					
Return on equity	**26%**	(139%)	(84%)	4%	13%
Return on total assets	**6%**	(18%)	(16%)	1%	4%
Gearing ratio	**1.78**	3.92	2.35	1.47	1.64
Interest cover	**2.25**	(2.14)	(3.04)	0.74	2.08
SHARE INFORMATION					
Total dividend payout (RM'000)	**-**	-	-	3,806	7,612
(Loss)/ Earnings per share (sen)[2]	**3.27**	(27.66)	(33.95)	1.04	6.81
Net assets per share (sen)	**13.81**	10.56	48.20	94.20	79.99
Weighted average number of ordinary share in issue ('000) Original	**2,502,687**	1,234,706	844,555	961,229	761,625
Adjustment - bonus issue	**-**	-	-	-	190,293
Weighted average number of ordinary share in issue ('000) [2]	**2,502,687**	1,234,706	984,555	961,229	951,918
Number of Shares ('000) Original	**2,557,345**	2,325,556	992,221	992,221	764,294
Treasury shares	**(7,666)**	(7,666)	(7,666)	(7,666)	(3,121)
Adjustment - bonus issue	**0**	0	0	0	191,073
Number of Shares ('000)	**2,549,679**	2,317,890	984,555	984,555	952,246

(1) The presentation of the 12-month financial year 31 Mar 2026 follows a change in the Group's financial year end from financial period ended 31 March 2025 ("2025") from 30 September to 31 March announced on 5 November 2024. The previous financial year presented FYE2023 was for the financial period ended on 30 September and FYE2021-FYE2022 were for the financial years ended on 30 June.

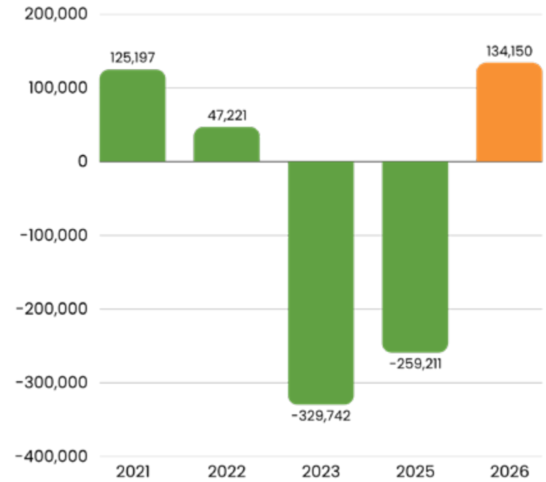
(2) For comparison purposes, earnings per share, net assets per share and weighted average number of ordinary share in issue are restated to reflect the bonus issue on the basis of two new ordinary shares for every eight existing shares held which was completed on 16 December 2021.

FINANCIAL HIGHLIGHTS

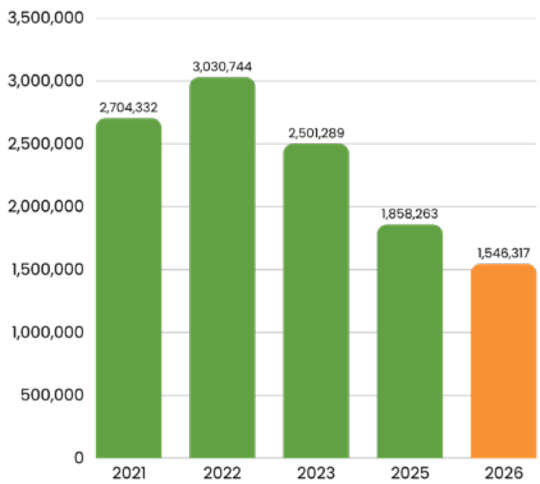
REVENUE (RM'000)



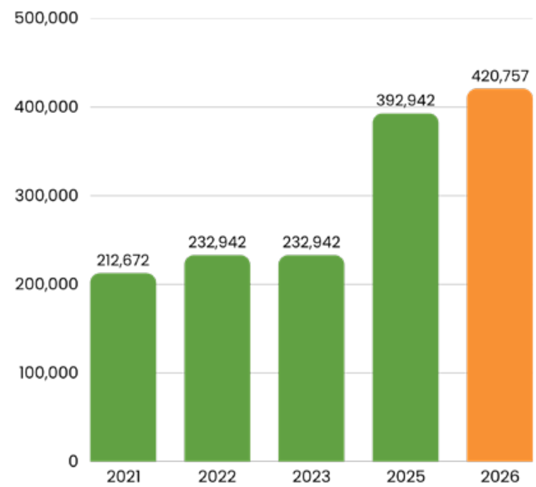
EBIT (RM'000)



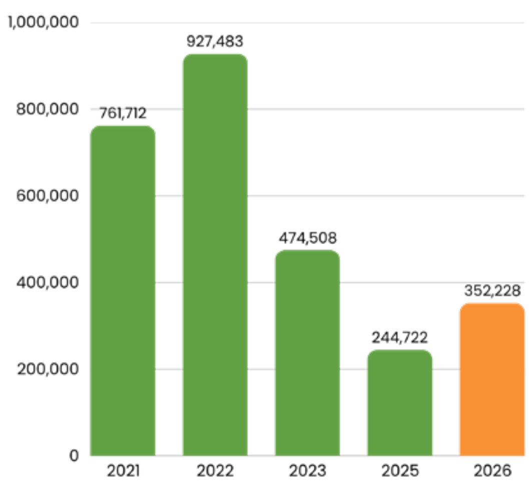
Total Asset (RM'000)



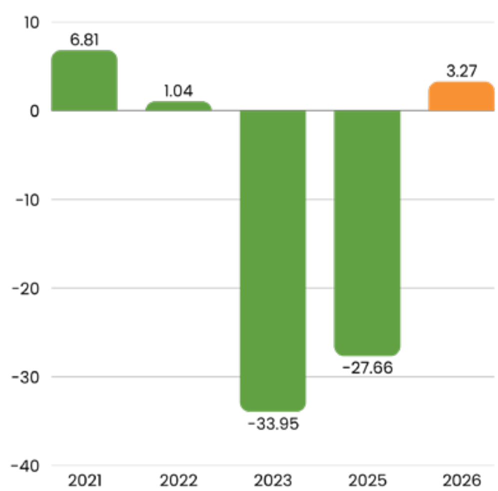
Share Capital (RM'000)



Shareholders' Equity (RM'000)



(Loss)/Earnings per share (sen)



MAIN BUSINESS SEGMENTS

TRANSMISSION LINE AND POWER CABLES

The Transmission Line and Power Cables business forms a key pillar of PESTEC's integrated electrical infrastructure capabilities. Spearheaded by PESTEC (Cambodia) PLC ("PCL"), the division has established itself as a trusted Engineering, Procurement, Construction and Commissioning ("EPCC") contractor specialising in high-voltage transmission lines and underground power cable systems.

Listed on the Cambodia Securities Exchange since 2020, PCL has successfully evolved into one of Cambodia's leading electrical infrastructure providers. Its comprehensive service offerings extend beyond transmission line construction to include civil engineering works, underground cable installation, as well as operation and maintenance services for electrical infrastructure assets.

The division possesses extensive expertise in engineering design, installation, testing and commissioning of transmission systems ranging from 33kV to 500kV. Supported by specialised construction equipment and an experienced technical workforce, PCL has successfully completed numerous transmission projects for utility companies and private sector clients, earning a reputation for delivering reliable and high-quality engineering solutions.

Having expanded from a modest team of just twelve employees in 2010 into a well-established engineering organisation today, PCL continues to strengthen its capabilities while expanding beyond Cambodia into markets such as Papua New Guinea. Leveraging its proven experience and regional presence, the division is well positioned to capture emerging opportunities across the Mekong region, West Africa and other developing power infrastructure markets, supporting increasing demand for reliable electricity transmission networks.

MAIN BUSINESS SEGMENTS

HV AND EHV ELECTRICAL SYSTEM

Since its establishment in 1991, PESTECH Sdn. Bhd. ("PSB") has grown into one of the Group's core engineering companies, specialising in the design, procurement, installation, testing and commissioning of High Voltage ("HV") and Extra High Voltage ("EHV") electrical substations. Serving both utility providers and industrial customers, PSB delivers comprehensive engineering solutions that support the development of reliable and resilient power transmission networks across domestic and international markets.

Backed by decades of engineering expertise, PSB has successfully delivered Air Insulated Substations ("AIS") and Gas Insulated Substations ("GIS") with capabilities of up to 500kV. Its proven track record spans numerous countries including Malaysia, Cambodia, the Philippines, Sri Lanka, Papua New Guinea, Kyrgyzstan, Iraq, Ghana and Ivory Coast, reflecting the Group's ability to execute complex power infrastructure projects across diverse operating environments.

Every project is managed by PSB's multidisciplinary in-house engineering, construction and commissioning teams, ensuring seamless project execution from conceptual design through to final energisation. The team's technical capabilities, combined with strict adherence to international engineering standards and electrical safety requirements, enable PSB to consistently deliver high-quality solutions that meet customers' operational and performance expectations.

As sustainability becomes increasingly important within the global energy sector, PSB continues to embrace innovative construction methodologies that improve efficiency while reducing environmental impact. The adoption of modular precast construction techniques enhances project productivity, minimises material wastage, shortens construction timelines and supports more sustainable project delivery. Through continuous investment in engineering excellence and innovation, PSB remains well positioned to support the growing demand for modern electrical infrastructure throughout the region.

MAIN BUSINESS SEGMENTS

POWER PRODUCTS AND SMART GRID

As the global energy industry accelerates towards digitalisation, PESTECH Energy Sdn. Bhd. ("PEN") plays a leading role in driving the Group's Energy 4.0 initiatives through the development of intelligent power technologies and smart energy solutions.

PEN specialises in delivering integrated digital solutions that support the transformation of conventional power systems into smarter, more connected and efficient electrical networks. Its portfolio includes smart substation monitoring systems, renewable energy solutions for microgrids, Electric Vehicle ("EV") charging infrastructure, Advanced Metering Infrastructure ("AMI") and other digital energy applications that comply with internationally recognised standards such as IEC 61850 and OCPP v1.6. Significantly, these technologies are developed internally, demonstrating the Group's strong engineering and innovation capabilities.

Since 2020, PEN has played an important role in supporting the digital transformation of Malaysia's electricity distribution network. As one of the selected solution providers for Tenaga Nasional Berhad's smart meter programme, the company has successfully delivered more than 700,000 smart meters, contributing towards the development of a smarter, more efficient and digitally connected national grid.

Beyond smart metering, PEN actively collaborates with international technology partners to develop Distributed Energy Resources ("DER") solutions, including Hydrogen Self-Recharging Fuel Cell ("SRFC") technology that combines solar energy, battery storage and fuel-cell systems to provide sustainable off-grid electricity. These innovative solutions have already been deployed in Malaysia and Papua New Guinea.

Supported by continuous investment in research and development, PEN continues to expand its portfolio of smart grid products, protection and control systems, SCADA, telecommunications solutions and distribution equipment. As utilities increasingly embrace digitalisation and renewable energy integration, PEN is well positioned to support the next generation of intelligent energy infrastructure across the region.

MAIN BUSINESS SEGMENTS

POWER GENERATION

The Power Generation business, led by PESTECH Technology Sdn. Bhd. ("PTE"), focuses on delivering engineering solutions that improve the efficiency, reliability and sustainability of electricity generation facilities.

Initially established to provide electrification and automation solutions for conventional power plants, PTE has progressively expanded its capabilities to include engineering, procurement, construction and commissioning ("EPC") services covering thermal, hydroelectric, solar photovoltaic and Waste-to-Energy ("WTE") power generation projects. Its comprehensive expertise enables customers to enhance operational performance while improving plant efficiency and system reliability.

Recognising the accelerating global transition towards cleaner energy sources, PTE continues to strengthen its capabilities in renewable and low-carbon technologies. The company is actively exploring opportunities within the Waste-to-Energy sector while advancing innovative solutions involving biomass, Refuse-Derived Fuel ("RDF"), Solid Recovered Fuel ("SRF") and blue and green ammonia co-firing technologies for conventional power generation.

In addition, PTE is expanding into the development of mini and small hydroelectric power projects, providing complete turnkey EPC services from engineering design through construction and commissioning. These initiatives reflect the Group's commitment to supporting sustainable electricity generation while meeting the evolving needs of governments, utilities and industrial customers.

By combining technical expertise with innovative engineering solutions, PTE continues to strengthen PESTEC's position as a trusted partner in delivering efficient, reliable and environmentally responsible power generation infrastructure.

MAIN BUSINESS SEGMENTS

INFRASTRUCTURE ASSET MANAGEMENT

Reliable infrastructure extends beyond construction—it requires effective long-term operation and maintenance. Through its Infrastructure Asset Management business, PESTEC provides comprehensive Operation and Maintenance ("O&M") services that maximise the performance, reliability and lifespan of critical electrical infrastructure assets.

Supported by a dedicated team of experienced engineers and technicians, the Group delivers structured O&M solutions not only for its own infrastructure assets but also for third-party asset owners seeking professional asset management expertise. By adopting established maintenance standards and industry best practices, PESTEC develops customised maintenance programmes tailored to the operational requirements of each asset.

The Group's O&M capabilities encompass preventive maintenance, system optimisation, technical inspections and performance enhancement initiatives that help minimise downtime while improving operational reliability and efficiency. These services enable infrastructure owners to maintain high asset availability, optimise lifecycle costs and ensure compliance with industry standards.

PESTEC currently provides O&M services for several strategic infrastructure assets, including the 500kV West Phnom Penh–Sihanoukville Transmission System Project and the 20MWac Solar Photovoltaic Power Plant in Bavet City. These projects demonstrate the Group's ability to support complex power infrastructure beyond project completion, reinforcing long-term customer relationships while creating recurring value through lifecycle asset management services.

MAIN BUSINESS SEGMENTS

RAIL ELECTRIFICATION AND SIGNALLING

PESTEC's Rail Electrification and Signalling business reflects the Group's commitment to supporting the development of modern, safe and efficient railway transportation systems. Leveraging its multidisciplinary engineering expertise, the Group provides integrated rail electrification and signalling solutions that enhance the reliability and operational performance of railway infrastructure.

The division offers comprehensive engineering services covering system design, engineering, installation, testing and commissioning of rail electrification and signalling systems. Its technical capabilities encompass power supply systems, traction power infrastructure, signalling integration and associated electrical works required for both new railway developments and system upgrades.

Drawing upon the Group's extensive experience in high-voltage electrical systems and infrastructure engineering, PESTEC is well positioned to deliver rail solutions that meet stringent technical, operational and safety standards. Its integrated project delivery approach enables efficient coordination across multiple engineering disciplines, ensuring reliable execution throughout every stage of project implementation.

As urbanisation and public transportation investments continue to accelerate across the region, demand for modern railway infrastructure is expected to grow steadily. Supported by its established engineering capabilities and commitment to innovation, PESTEC is well positioned to contribute to future rail development projects while supporting sustainable mobility and the expansion of efficient public transportation networks.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Mohd Zuki Bin Ali
Independent Non-Executive Chairperson

Datuk Seri (Dr.) Subramaniam Pillai 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

Masnizam Binti Hisham
Non-Independent Executive Director

Roza Shahnaz Binti Omar
Independent Non-Executive Director

Nazeera Binti Alias
Independent Non-Executive Director

Haymandhra Pillai Subramaniam Pillai
(Alternate Director to Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai)

AUDIT COMMITTEE

Roza Shahnaz Binti Omar
(Chairperson)
Dato' Wee Yiaw Hin @ Ong Yiaw Hin
Nazeera binti Alias

NOMINATION COMMITTEE

Nazeera binti Alias
(Chairperson)
Dato' Wee Yiaw Hin @ Ong Yiaw Hin
Roza Shahnaz Binti Omar

REMUNERATION COMMITTEE

Nazeera binti Alias
(Chairperson)
Roza Shahnaz Binti Omar
Dato' Wee Yiaw Hin @ Ong Yiaw Hin

COMPANY SECRETARIES

Tai Yit Chan
(SSM PC No. 202008001023)
(MAICSA 7009143)

Tan Ai Ning
(SSM PC No. 202008000067)
(MAICSA 7015852)

AUDITORS

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Email: info@pestec-international.com
Website : www.pestec-international.com

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Malaysia.
Tel. No : +603 2739 1188
Website : www.pestec-international.com

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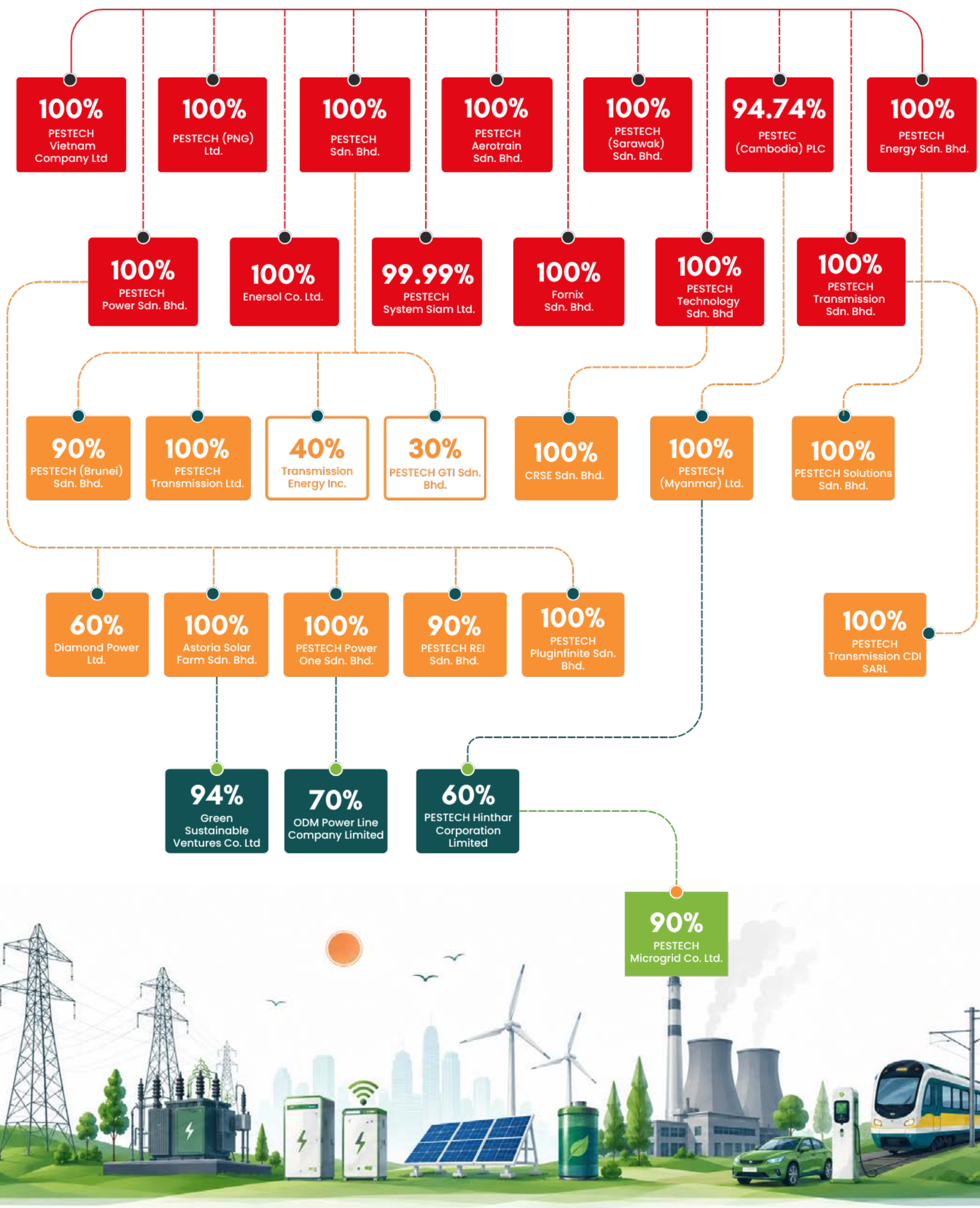
Pusat Bandar Damansara,
Damansara Heights 50490,
Kuala Lumpur.
Tel No : +603 2084 9000
Fax No : +603 2094 9940
Email: info@sshsb.com.my

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock Name : PESTEC
Stock Code : 5219

CORPORATE STRUCTURE

PESTEC INTERNATIONAL BERHAD



BOARD OF DIRECTORS

TAN SRI DATO' SERI MOHD ZUKI BIN ALI

Chairman

Independent
Non-Executive Director

63 Male Malaysian

Date of appointment :
18 December 2024

Tan Sri Dato' Seri Mohd Zuki bin Ali ("Tan Sri Dato' Seri Mohd Zuki") was appointed as the Independent Non-Executive Chairman of PESTEC International Berhad ("PESTEC") on 18 December 2024.

With over 30 years in Government service, Tan Sri Dato' Seri Mohd Zuki brings expertise in policy-setting, public administration, and intergovernmental institutions. He served as the Chief Secretary of Malaysia from 1 January 2020 up to his retirement on 10 August 2024. He was the Chief Secretary of the Ministry of Defense in 2019. Prior to that, Tan Sri Dato' Seri Mohd Zuki held various leadership positions in the Prime Minister's Department including Senior Deputy Chief Secretary, Sarawak State Federal Secretary, Director General of Legal Affairs Division, Deputy Chief Secretary (Management), Divisional Secretary and Senior Consultant.

Tan Sri Dato' Seri Mohd Zuki currently serves as Chairman of the Employees Provident Fund and Kim Teck Cheong Consolidated Berhad. He is also a Board member of SD Guthrie Berhad, and holds the position of Pro-Chancellor of Universiti Malaysia Terengganu.

Previously, Tan Sri Dato' Seri Mohd Zuki served as a Board member of PR1MA Corporation Malaysia and as Pro-Chancellor of Universiti Kebangsaan Malaysia. He is also served as the Chairman of MRL Sdn Bhd, Cyberview Sdn Bhd, Sinergi Perdana Sdn Bhd, the Razak School of Government, and the Malaysian Institute of Integrity.

Tan Sri Dato' Seri Mohd Zuki has no family relationship with any other Director and/or substantial shareholder of the Company and does not have any conflict of interest with PESTEC.

He also does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in public companies and listed companies : SD Guthrie Berhad and Kim Teck Cheong Consolidated Berhad.

Tan Sri Dato' Seri Mohd Zuki attended 5 out of 6 Board of Directors' Meetings held during the FY2026.

DATUK SERI (DR)
SUBRAMANIAM PILLAI SANKARAN PILLAI

— Group Executive Director —

Non-Independent
Executive Director

55 Male Malaysian

Date of appointment :
18 December 2024

Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai ("Datuk Seri Subramaniam"), is a co-founder and Group Executive Director of Dhaya Maju Infrastructure (Asia) Sdn. Bhd. ("DMIA"). With over 30 years of experience in the construction industry, he has been instrumental in DMIA's growth across key sectors including highways, railways, property development, and energy. Under his leadership, DMIA has become a leading engineering and infrastructure company, achieving a turnover of RM1.05 billion in the financial year 2025. He played a pivotal role in DMIA's successful completion of Phase 1 and the ongoing execution of Phase 2 of the Klang Valley Double Track Rehabilitation project.

In property development, he has overseen projects like affordable housing for civil servants in PPAM Brickfields and other developments in Seremban, Salak South, and Setapak Jaya. Internationally, DMIA has completed high-value projects, including the Malaysian High Commission Complex in New Delhi and six major expressway projects across India. Currently, DMIA's Indian subsidiary is managing highway and railway infrastructure projects for the National Highway Authority of India ("NHAI") and Indian Railways.

He is committed to innovation and has introduced advanced railway technologies like S2PV, TRT, and Panel Lifters, exclusive to DMIA in Southeast Asia. Additionally, he has led DMIA's diversification into the Oil & Gas and Energy sectors, securing key licenses and certifications.

Datuk Seri Subramaniam has a family relationship with Mr Haymandhra Pillai Subramaniam Pillai, who is his son and was appointed as his Alternate Director on 25 May 2026. Datuk Seri Subramaniam is an indirect major shareholder of PESTEC International Berhad ("PESTEC") via his directorship and shareholding in DMIA, the major shareholder and holding company of PESTEC.

Datuk Seri Subramaniam has no conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries, save for the related party disclosures as disclosed under Note 14 to the Audited Financial Statements of this Annual Report and the recurrent related party transactions as disclosed in the Circular to Shareholders dated 31 July 2026 which is despatched together with this Annual Report.

Other directorship in public companies and listed companies : Nil

Datuk Seri Subramaniam attended 6 out of 6 Board of Directors' Meetings held during the FY2026.

BOARD OF DIRECTORS

DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR

— Group Managing Director —

Non-Independent Executive Director

68 | Male | Malaysian

Date of appointment :
18 December 2024

Datuk Mohamed Razeek bin Md Hussain Maricar ("Datuk Razeek") holds a BSc Civil Engineering from Polytechnic of South Bank, London, is currently heading the operations and management of Dhaya Maju Infrastructure (Asia) Sdn. Bhd. ("DMIA") as its Group Chief Executive Officer.

With 43 years of extensive experience in the engineering field, he is in charge of managing the entire operations of the company, namely the railway sector, infrastructure and real estate developments. He has been instrumental in instituting new policies and programs which have brought in improvements and efficiencies in the functioning of the DMIA Group, which has contributed to its growth.

Datuk Razeek has no family relationship with any other Director of the Company. He is an indirect major shareholder of PESTEC International Berhad ("PESTEC") via his directorship and shareholding in DMIA, the major shareholder and holding company of PESTEC.

Datuk Razeek has no conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries, save for the related party disclosures as disclosed under Note 14 to the Audited Financial Statements of this Annual Report and the recurrent related party transactions as disclosed in the Circular to Shareholders dated 31 July 2026 which is despatched together with this Annual Report.

Other directorship in public companies and listed companies : Nil

Datuk Razeek attended 6 out of 6 Board of Directors' Meetings held during the FY2026.

DATO' WEE YIAW HIN @ ONG YIAW HIN

Non-Independent
Non-Executive Director

Member of the Nomination Committee
Member of the Audit Committee
Member of the Remuneration Committee

68 Male Malaysian

Date of appointment :
30 April 2025

Dato' Wee Yiaw Hin @ Ong Yiaw Hin ("Dato' Wee") has more than 35 years of experience in the Oil & Gas Industry across the Exploration, Development & Production ("E&P") and Gas & Liquefied Natural Gas (LNG) value chain. He spent 21 years with Shell in Malaysia and overseas where he has held a number of senior positions in the United Kingdom and South Africa. In Malaysia, he was Vice President, Upstream Asia and Managing Director of Shell Malaysia E&P Companies from 2006 to 2010. He joined PETRONAS as an Executive Vice President and Chief Executive Officer of Upstream Business in May 2010. He retired from PETRONAS in April 2016.

Presently, he is on the board of Cagamas Berhad, Enra Group Berhad, Carimin Petroleum Berhad and Anton Oilfield Services Group, which is listed on the Hong Kong Stock Exchange.

Dato' Wee has no family relationship with any other Director and/or substantial shareholder of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in public companies and listed companies : Carimin Petroleum Berhad, Cagamas Berhad and Enra Group Berhad.

Dato' Wee attended 5 out of 5 Board of Directors' Meetings held during the FY2026.

BOARD OF DIRECTORS

ROZA SHAHNAZ BINTI OMAR

Independent
Non-Executive Director

Chairman of the Audit Committee
Member of the Remuneration Committee
Member of the Nomination Committee

59 Female Malaysian

Date of appointment :
30 April 2025

Puan Roza Shahnaz Binti Omar ("Puan Roza") has over 30 years of experience in the field of Strategy, Business Development and Stakeholder Management in large capital Public Listed Companies and Government Linked Companies. Her career includes key positions at UMW Holdings Berhad, DRB-HICOM Berhad and FELCRA Berhad with responsibilities spanning from mergers and acquisitions, corporate restructuring, business transformation and initial public offerings. With an abundance of international experiences, she has conducted business dealings globally including Middle East, Europe and Asia.

Puan Roza was an Independent Director at Mara Corporation Sdn Bhd, a wholly owned subsidiary of Majlis Amanah Rakyat (MARA). She was the Chairman of the Investment Committee, member of its Nomination and Remuneration Committee, Governance and Risk Committee and Finance and Audit Committee. Her last executive position was as the Chief Strategy and Transformation Officer in FELCRA Berhad from 2020 to 2022 where she was tasked to revamp the entire Group with a transformed business model which aims to achieve financial stability in the organisation.

Prior to that she was the Director of Strategy of UMW Holdings Berhad from 2010 to 2020. Her role includes identifying and maximising investments and business opportunities across core sectors of UMW Group to enhance shareholders value. Earlier in her career, she held various senior positions at Malaysian Rating Corporation Berhad and DRB-HICOM Berhad.

Puan Roza has no family relationship with any other Director and/or substantial shareholder of the Company and does not have any conflict of interest with PESTEC.

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in public companies and listed companies : Nil

Puan Roza attended 5 out of 5 Board of Directors' Meetings held during the FY2026.

MASNIZAM BINTI HISHAM

Non-Independent
Executive Director

54 Female Malaysian

Date of appointment :
9 July 2025

Puan Masnizam binti Hisham ("Pn. Masnizam") is a seasoned corporate leader and legal professional with approximately 28 years of experience spanning executive leadership, public transportation, infrastructure development, corporate governance, legal advisory and procurement strategy.

She was the Group Chief Executive Officer of My-Sutera Group of Companies, where she was responsible for the Group's strategic direction, operational performance, business expansion, corporate governance, and risk management. Under her leadership, the Group successfully diversified its business from school uniform manufacturing into manufacturing of medical devices and personal protective equipment (PPE), strengthening its market position and operational capabilities.

Prior to that, Pn. Masnizam served as the President and Group Chief Executive Officer of Prasarana Malaysia Berhad, Malaysia's leading public transportation operator, overseeing rail, monorail, bus rapid transit (BRT), bus, and ferry services nationwide.

During her tenure at Prasarana, she successfully led operational and project rationalisation initiatives that generated millions in cost savings.

She also oversaw the development and delivery of infrastructure projects valued at approximately RM6 billion, including rail systems, buses, depots, and transportation facilities. In addition, she led the Al Mashaer Al Mugaddasah Metro operations in the Kingdom of Saudi Arabia, which served more than two million pilgrims during the Haj season and achieved a 97% guest satisfaction rate.

Pn. Masnizam possesses extensive expertise in legal advisory, corporate governance, procurement strategy, contract negotiation, infrastructure project management, operational excellence, and organisational transformation. Her strong leadership, strategic vision, and broad industry experience continue to contribute significantly to the organisations she serves.

She holds an LLB (Hons) from Universiti Kebangsaan Malaysia, was a qualified Advocate and Solicitor of the High Court of Malaya, and is a graduate of Harvard Business School's Senior Management Development Program.

Puan Masnizam has no family relationship with any other Director and/or substantial shareholder of the Company and does not have any conflict of interest with PESTEC. She also does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in other public companies and listed companies : Nil

Puan Masnizam attended 4 out of 4 Board of Directors' Meetings held during the FY2026.

NAZEERA BINTI ALIAS

Independent
Non-Executive Director

Chairman of the Remuneration Committee
Chairman of the Nomination Committee
Member of the Audit Committee

36 Female Malaysian

Date of appointment :
23 July 2026

Puan Nazeera binti Alias ("Puan Nazeera") is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA). She holds a Bachelor's Degree in Accountancy and a Diploma in Accountancy from Universiti Teknologi MARA (UiTM)

Puan Nazeera has over 10 years of professional experience in accounting, auditing, taxation, financial reporting and corporate advisory. She is currently serving as a Team Lead, Financial Accounting at Vistra , where she leads a team responsible for the preparation and review of management accounts, financial statements, consolidation of accounts, intercompany reconciliation, financial reporting and stakeholder management. She is also involved in reviewing tax computations and XBRL conversions for statutory lodgements with the Accounting and Corporate Regulatory Authority.

Prior to joining Vistra, Puan Nazeera served as a Senior Audit Executive at Wan Nadzir & Co., where she was involved in audit engagements for various government agencies, statutory bodies and higher education institutions, including MARA, MARDI, MATRADE, DBKL, RISDA, Universiti Kebangsaan Malaysia (UKM) and Universiti Putra Malaysia (UPM). She also participated in projects relating to Malaysian Public Sector Accounting Standards (MPSAS) compliance, consolidation adjustments and financial reporting advisory services.

Puan Nazeera has no family relationship with any other Director and/or substantial shareholder of the Company and does not have any conflict of interest with PESTEC. She also does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in other public companies and listed companies : Nil

Puan Nazeera did not attend any Board meetings of the Company during FY2026, as she was appointed to the Board on 23 July 2026.

BOARD OF DIRECTORS

HAYMANDHRA PILLAI SUBRAMANIAM PILLAI

Alternate Director to Datuk Seri (DR.)
Subramaniam Pillai Sankaran Pillai

26 Male Malaysian

Date of appointment :
25 May 2026

Mr. Haymandhra Pillai Subramaniam Pillai ("Mr. Haymandhra") is an engineering graduate from the University of Cambridge, where he completed both his undergraduate and master's degrees in Engineering. His postgraduate research focused on non-Gaussian stochastic processes for financial and tracking applications, combining advanced probabilistic modelling with real-world engineering, quantitative finance, and dynamic systems analysis.

Following his studies, Mr. Haymandhra worked in the United Kingdom with Siemens Mobility for two years on the East Coast Digital Programme (ECDP), contributing to major railway and digital infrastructure initiatives. The programme forms part of the modernisation of the East Coast Main Line, introducing advanced in-cab digital signalling and ETCS technology to enhance reliability, safety, and operational efficiency across one of Britain's most significant rail corridors.

Mr. Haymandhra's exposure to large-scale digital rail infrastructure has provided him with experience in complex engineering environments, stakeholder-driven delivery and technology-led operational improvement.

Mr. Haymandhra holds a Bachelor of Arts (BA), Master of Arts (MA) and Master of Engineering (MEng) from University of Cambridge.

Mr. Haymandhra is the son of Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai. Save as disclosed, He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other directorship in other public companies and listed companies : Nil

Mr. Haymandhra did not attend any Board meetings of the Company during FY2026, as he was appointed to the Board on 25 May 2026.

Notes:
1. All the Directors are Malaysians.
2. Other than traffic offences, if any, none of the Directors had any convictions for any offences in the past 5 years.
3. None of the Directors had any public sanction or penalty from regulatory bodies during the financial year from 1 April 2025 to 31 March 2026.

KEY MANAGEMENT

Datuk Yee Hee Hoon (Datuk Adam)

President

51 | Male | Malaysian

Date of appointment : 15 Jan 2026

Datuk Yee Hee Hoon ("Datuk Adam") is the President of PESTEC International Berhad, responsible for leading the Group's strategic direction, business transformation, operational excellence and regional growth. He works closely with the Board and senior management to strengthen corporate governance, enhance organisational capabilities and drive sustainable long-term value creation.

With over 27 years of leadership experience, Datuk Adam has held senior executive positions across multinational corporations and public-listed companies within the power infrastructure, industrial automation and manufacturing sectors. His expertise spans corporate strategy, business transformation, governance, operational management and stakeholder engagement.

Prior to joining PESTEC, he served as Group Deputy Managing Director of Powerwell Holdings Berhad and Managing Director of Powerwell International Sdn. Bhd., where he oversaw international business operations and led the Industry & Energy Sector portfolio.

Before joining Powerwell, Datuk Adam spent two decades with Siemens Malaysia, culminating in his appointment as the first Malaysian President & Chief Executive Officer of Siemens Malaysia. During his tenure, he led the organisation through strategic transformation, held full profit and loss responsibility, strengthened its leadership position in industrial automation, and worked closely with government ministries, investment agencies and industry organisations. He also served as a Board Member of the Malaysian-German Chamber of Commerce (MGCC) and a Council Member of the Malaysia China Business Council (MCBC) from 2020 to 2025.

Datuk Adam joined PESTEC International Berhad on 15 January 2026 as President. He holds a Master of Business Administration from the University of the West of Scotland and continues to lead the Group's transformation agenda by strengthening governance, accelerating business growth and expanding PESTEC's regional presence while delivering sustainable value for shareholders.

Notes:
1. All senior management has no directorship in public listed companies and listed issuer.
2. None of the senior management have any family relationships with any directors and/or major shareholders.
3. There are no conflict of interests or potential conflicts of interests between the senior management and the companies/subsidiaries.
4. Other than traffic offences, none of the senior management had any convictions for any offences in the past 5 years.

KEY MANAGEMENT

GOH CHOONG BOON (KEVIN)

General Manager

56 Male Malaysian

Date of appointment :
14 Aug 2023

Kevin Goh has over 30 years of experience in the power generation, energy, electrification and industrial automation sectors across Asia Pacific.

He began his career in engineering and project management before progressing into regional leadership roles spanning sales, business development, tendering and operational management. Throughout his career, he has held senior positions with Siemens, Alstom Power, GE, ABB and Aspen Aerogels, leading regional business growth, strategic customer engagement and the delivery of complex power generation and industrial projects.

Kevin has extensive expertise in power generation, electrical balance of plant, power plant modernisation, industrial automation, renewable energy, battery energy storage systems (BESS) and project development.

He joined PESTEC International Berhad in August 2023 and currently serves as General Manager, overseeing Project Management, Business Development and Tendering. He brings extensive regional leadership experience, strong commercial acumen and deep technical expertise to support the Group's business growth and energy transition initiatives.

PEE BOON HOOI

Group Chief Financial Officer

60 Male Malaysian

Date of appointment :
1 Dec 2025

Pee Boon Hooi has over 30 years of experience in finance, accounting and corporate leadership across the engineering, power, utilities, infrastructure, property and hotel sectors. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

Throughout his career, he has held senior finance leadership positions, including Group Chief Operating Officer at Dhaya Maju Infrastructure (Asia) Sdn. Bhd., Head of Finance at UEM Builders Berhad, and Finance Manager at Faber Group Berhad (now known as Edgenta Berhad). He joined PESTEC International Berhad in December 2025 as Group Chief Financial Officer, bringing extensive financial management expertise and broad industry experience to support the Group's continued growth and strategic objectives.

KEY MANAGEMENT

REHAN FATMI

PMO & Head of Project Management

57 Male Pakistani

Date of appointment :
16 March 2026

Rehan Fatmi has over 35 years of experience in the energy, power infrastructure, industrial automation, utilities and transportation sectors across Asia Pacific and the Middle East. Throughout his career, he held senior leadership positions with Siemens, Siemens Energy and Schneider Electric, assuming progressive responsibilities in engineering, project management, sales, business development and general management. His career includes appointments as Engineering Manager, Sales Director, Country General Manager and Head of Sales & Marketing, where he led business growth, project execution and customer engagement across diverse regional markets.

Rehan has extensive expertise in power transmission and distribution, industrial automation, renewable energy and large-scale infrastructure projects. He joined PESTEC International Berhad on 23 March 2026 as Acting PMO & Head of Project Management, bringing extensive multinational leadership experience, deep industry expertise and strong project execution capabilities to support the Group's operational excellence and strategic growth initiatives.

TEE SIEW LEE

Senior Vice president, Human Resources (SVP HR)

50 Female Malaysian

Date of appointment :
4 May 2025

Tee Siew Lee has over 28 years of leadership experience in human resources, organisational transformation and talent management across the infrastructure, transportation, business process outsourcing (BPO), logistics, insurance, retail and manufacturing sectors. Throughout her career, she has held senior HR leadership positions with public-listed companies and multinational organisations, leading strategic initiatives in workforce planning, organisational development, HR governance, digital transformation, culture transformation and leadership development.

Prior to joining PESTEC International Berhad, Siew Lee served as Director of Human Resources at HI Mobility Berhad, where she led the Group's HR transformation and workforce governance initiatives, including human capital readiness for its successful Bursa Malaysia listing. She also spearheaded HR digitalisation, organisational development and large-scale workforce transformation to strengthen business performance.

As Senior Vice President, Human Resources (SVP HR), Siew Lee leads the Group's people strategy, organisational transformation, talent management and HR governance. She is responsible for strengthening organisational capability, developing future-ready leaders, enhancing workforce effectiveness and fostering a high-performance culture that supports the Group's long-term growth and strategic objectives.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of PESTEC International Berhad, it is my privilege to present the Chairman's Statement for the financial year under review. I do so with candour, for the period that has just passed has been, without question, one of the most demanding chapters in our Company's history.

A confluence of operational delays, project cost overruns and tightening liquidity tested the resilience of our organisation and, at times, the very foundation upon which our business has been built. I will not understate the difficulty of the year. There were moments that called for hard decisions, frank conversations and a willingness to confront uncomfortable truths about how the Company had been run. Yet it is precisely in such testing periods that the true character of an organisation is revealed. I am therefore pleased to report that PESTEC has emerged from this chapter more disciplined, more focused and more soundly governed than before, with a clearer sense of who we are and where we intend to go.

Tan Sri Dato' Seri Mohd Zuki Bin Ali
Chairman

CHAIRMAN'S STATEMENT

THE OPERATING LANDSCAPE

PESTEC operates at the heart of a sector that is fundamental to national development and to the broader energy transition now reshaping economies across our region. We are confronted with multiple forces unfolding at the same time, including geopolitical and economic uncertainty, increasing protectionism, climate-related challenges, and technological advancement all influencing one another. Reliable electricity supply, being the bedrock of modern industry, commerce and daily life, and the infrastructure that delivers it, transmission lines, substations, distribution networks and the systems that bind them together, must be continually built, upgraded and modernised. As Malaysia and the wider ASEAN region advance their development agendas, the demand for resilient, secure and increasingly low-carbon power infrastructure continues to grow.

Grid modernisation, rural and industrial electrification, the integration of renewable energy and the prospect of cross-border interconnection together point to a multi-year cycle of investment in the power sector. The national commitment to a cleaner energy mix, coupled with the rising electricity demands of data centres, manufacturing and an expanding population, is reshaping the requirements placed upon the networks that carry power from source to user.
For a specialist engineering and electrical contractor such as PESTEC, this represents a genuine structural tailwind.

The opportunity before us has never been in doubt. Our challenge, rather, has been to ensure that the Company possesses the operational discipline, financial strength and governance maturity required to capture that opportunity reliably and profitably. The events of the past year brought that challenge into sharp relief, and the Board has responded accordingly.

ADDRESSING THE CHALLENGES HEAD-ON

Faced with mounting pressures, the Board of Directors chose not to wait for conditions to improve of their own accord. We acted decisively and early to stabilise the Company and to restore the confidence of our stakeholders. A comprehensive internal review of all ongoing projects was undertaken, examining each engagement for its commercial viability, its execution risk and its contribution to cash flow. Where projects had drifted from their original scope or budget, we confronted the position honestly and put in place corrective measures. Alongside this review, we implemented a more disciplined and accountable project management framework designed to ensure that the difficulties of the past are not repeated.

Recognising that an organisation under strain benefits from an external and impartial perspective, we engaged independent consultants to assess operational inefficiencies and to recommend restructuring measures and recovery plans. Their findings have informed a series of practical changes to how we plan, cost, deliver and monitor our work.

Most significantly of all, we refreshed our executive leadership team, bringing on board experienced professionals with a proven record in turnaround management and deep expertise in our industry. Strong leadership is the single most important determinant of a successful recovery, and I am confident that the team now

in place has both the capability and the resolve to see this transformation through.

Underpinning each of these measures has been a renewed commitment to financial discipline. We have tightened our approach to project bidding and tendering, declining work that does not meet clear thresholds for margin and risk, and we have instilled a cost-conscious culture that treats every ringgit of shareholders' capital as a resource to be protected. Cash flow forecasting, working capital management and procurement controls have all been strengthened so that the Company is better placed to anticipate pressures rather than merely react to them. Taken together, these immediate and targeted actions have laid the groundwork for a more stable, focused and forward-looking operational environment.

A STRATEGIC INFLECTION POINT

If decisive internal action stabilised the Company, the strategic investment by Dhaya Maju Infrastructure (Asia) Sdn Bhd ("DMIA") marked a genuine turning point in our fortunes. This investment did more than strengthen our balance sheet and ease the liquidity constraints that had weighed so heavily upon us, important though those effects were. It served as a powerful endorsement - a vote of confidence from a substantial and knowledgeable partner in the long-term prospects and strategic direction of PESTEC at a moment when such confidence mattered most.

Beyond the immediate financial relief it provided, the partnership with DMIA opens up meaningful and synergistic opportunities in large-scale infrastructure and electrification projects, not only in Malaysia but across the wider Southeast Asian region.

DMIA brings robust execution capabilities and an extensive network that complement our own engineering strengths and established track record. Together, these attributes provide a solid platform from which the Company can pursue sustainable expansion. We regard this relationship not as a one-off rescue but as the foundation of a durable alliance that will help shape the next phase of PESTEC's growth.

STRENGTHENING GOVERNANCE FOR THE FUTURE

The Board is acutely conscious that lapses in governance contributed to the difficulties we encountered, and we have treated this realisation not as a source of recrimination but as a mandate for reform. Over the year we have undertaken significant changes to our corporate oversight, streamlining our processes and strengthening our risk management practices so that the structures of the Company are equal to its ambitions.

The Audit and Risk Management Committees has continued to play its role to ensure greater independence and a deeper, more probing scrutiny of management decisions. Within the organisation, we have strengthened our internal audit functions and improved reporting lines so that operational and compliance risks are surfaced earlier and addressed more effectively. We have also implemented a revised Enterprise Risk Management policy that places particular emphasis on project execution, counterparty exposure and financial sustainability, precisely the areas in which the Company had previously been most vulnerable. These measures are not isolated fixes but part of a broader and deliberate shift towards a culture of accountability, transparency and proactive risk mitigation that we intend to embed at every level of the organisation.

REBUILDING MARKET CONFIDENCE

Restoring the trust of the investing public ranks among our highest priorities, and we understand that trust, once shaken, is rebuilt through consistent action rather than assurances alone. We have also engaged regularly and directly with analysts, institutional investors, ensuring that communication flows in both directions and that the concerns of all our stakeholders are heard. To demonstrate that our commitment to reform is genuine rather than cosmetic, the Company embarked on a journey to put in place improved governance and processes enabling it to secure certification for ISO 37001: 2025. These steps reflect, in the most tangible way available to us, our commitment to greater governance, transparent and ethical business conduct.

STRATEGIC PRIORITIES FOR THE NEXT 12 TO 24 MONTHS

With a more stable platform now in place, the Board has identified five strategic priorities that will guide the Company through its recovery and towards the creation of long-term value. Our first priority is operational recovery: ensuring the timely and cost-effective delivery of current projects while restoring profitability across our business units, for it is the disciplined execution of work in hand that will ultimately rebuild our reputation. Our second priority is the continued strengthening of our balance sheet through debt rationalisation and improved cash flow management, so that the Company is never again placed in a position of vulnerability.

Our third priority is strategic expansion. We intend to diversify into higher-margin segments, with a particular focus on renewable energy infrastructure and cross-border electrification, areas in which demand is growing and in which our engineering capabilities are well suited to compete. Our fourth priority is human capital development, because no strategy succeeds without the people to deliver it; we will invest in leadership development and technical training to prepare our workforce for the challenges and opportunities ahead.
Our fifth and underpinning priority is governance and compliance: we will fully institutionalise the enhanced governance and risk management practices we have introduced, ensuring that

they become a permanent feature of how PESTEC operates rather than a temporary response to a difficult year.

A RENEWED VISION FOR PESTEC

Looking beyond the immediate horizon, our future strategy is anchored in three enduring commitments: innovation, strategic partnership and excellence in project execution. We intend to leverage the expertise of DMIA to expand into large-scale infrastructure projects, including national grid upgrades and interconnection works that sit squarely within our core competence. We are positioning the Company to enter the renewable energy sector in a deliberate and disciplined manner, with a focus on solar, transmission, energy storage and integration with the regional decarbonisation efforts that will define the coming decades.

CHAIRMAN'S STATEMENT

We are equally determined to modernise the way we work. The adoption of cutting-edge technologies, including digital twin platforms and real-time project monitoring, will allow us to improve efficiency, anticipate problems before they materialise and mitigate the very cost overruns that troubled us in the past. And we will expand our regional footprint thoughtfully, with particular attention to the high-growth markets of Southeast Asia where electrification demand is accelerating and where our strengths can be most profitably deployed. This is the vision of a Company that has learnt from adversity and intends to convert hard-won lessons into lasting advantage.

APPRECIATION AND OUTLOOK

I wish to thank our shareholders for your continued support. Your confidence in PESTEC, sustained even when the path ahead was uncertain, has been critical in our effort to improve the performance of the Company, and it is not something the Board takes for granted.

I am grateful, too, to my fellow Directors for their wise counsel and steadfast commitment, to our management and employees for their dedication and perseverance under pressure, and to our clients, partners, financiers and the regulatory authorities whose continued faith in us makes our recovery possible. The road ahead will demand persistence, but we travel it with conviction and with a Board and management team united in purpose. The year that has passed has tested us, but it has also clarified us, and we emerge from it with a sharper strategy, a stronger foundation and a renewed sense of what PESTEC can become. We are confident in our direction and resolutely committed to delivering long-term, sustainable value for all of our stakeholders.

Sincerely,

Tan Sri Dato' Seri Mohd Zuki Bin Ali
Chairman
PESTEC International Berhad

MANAGEMENT DISCUSSION & ANALYSIS

Consolidation.
Discipline.
Growth.

Dear Valued Stakeholders,

The turnaround journey undertaken by PIB over the past year has tested the resilience, adaptability, and underlying fundamentals of our Group. It has required decisive actions to stabilise operations, restore stakeholder confidence, and reposition the business for long-term sustainability.

At the point of introducing a new investor, PIB was at a critical juncture. The Group faced significant financial constraints, elevated debt levels, and prolonged market uncertainties, which weighed on its operational performance. The need for transformation was both urgent and necessary to ensure the continued viability of the Group. Financial year 2026 represents a period of consolidation, as we build upon the progress and focus on the closure of projects in hand.

The Group has achieved steady advancement in completing key projects across Malaysia, the Philippines, Cambodia, and other markets. These efforts are essential in strengthening execution discipline, improving cash flow visibility, and reinforcing stakeholder confidence.

Under the guidance of the Board of Directors, we continue to reposition the Group into a leaner, more resilient, and focused organisation. Our priorities remain on strengthening the balance sheet, enhancing the capital structure through prudent debt management, and addressing current obligations via structured arrangements with creditors. Concurrently, the Group has strengthened its governance framework to enhance accountability, transparency, and operational discipline. Key initiatives include:

- Implementation of a robust procurement policy to ensure transparency, competitiveness, and cost efficiency.
- Strengthening of Personal Data Protection Act 2010 (PDPA) compliance to safeguard data integrity and security.
- Enhancement of Limits of Authority (LOA) framework to reinforce approval controls, accountability, and decision-making discipline across the organisation.

The strengthened governance structure is complemented by management's continued focus on improving operational efficiency, cost discipline, and project execution capabilities. These efforts are critical in supporting the Group's objective of returning to sustainable profitability, while leveraging its established capabilities in Engineering, Procurement, Construction & Commissioning ("EPCC") and

MANAGEMENT DISCUSSION & ANALYSIS

Operations & Maintenance ("O&M").
As Southeast Asia advances its energy transition agenda, the Group remains well-positioned to capture emerging opportunities by leveraging its technical expertise, track record, and capabilities in delivering complex infrastructure solutions.

Looking ahead, the Group has established a five-year sustainable growth plan, which is anchored on:
- Strengthening core EPCC and O&M business segments
- Enhancing project selection and execution discipline
- Expanding participation in energy transition and sustainable infrastructure projects
- Embedding governance, compliance, and digitalisation across operations
- Delivering sustainable value creation for shareholders

With a strengthened operational foundation, improved project delivery visibility, and a clear strategic roadmap, the Group is better positioned to navigate challenges and pursue sustainable growth opportunities in the coming years.

On behalf of management, I would like to express our appreciation to all stakeholders for their continued support and confidence in the Group.

Thank you.

MANAGEMENT DISCUSSION & ANALYSIS

Financial Input

STRATEGIC INVESTMENT AND CORPORATE DEVELOPMENTS

On 18 December 2024, Dhaya Maju Infrastructure (Asia) Sdn Bhd ("DMIA") subscribed to a restricted issue of 1,333,335,000 new ordinary shares in PESTEC International Berhad ("PESTEC"), representing approximately 135.43% of the Company's share capital (excluding treasury shares). The total subscription amount was RM160,000,200, at an issue price of RM0.12 per restricted share.

Subsequently, DMIA had on 10 March 2025, entered into a conditional subscription agreement with PIB for a proposed restricted issue of 231,789,037 new ordinary shares, equivalent to 10.00% of the Company's issued shares as of 28 February 2025 at an issue price of RM0.12 per share (RM27,814,684). The Company had on 13 June 2025 allotted the ordinary shares.

Following these transactions, DMIA has become the controlling shareholder of PIB, holding a total of 1,565,124,037 shares, representing approximately 61.39% of the Company's capital.

In line with its strategic repositioning, PESTECH International Berhad officially changed its name to PESTEC International Berhad on 11 March 2025.

As at the date of this report, PIB's market capitalisation stands at RM166 million.

FINANCIAL REVIEW

The commentary on the financial statements for the year represents a 12-month financial year ended 31 March 2026 whereas the previous financial period ended was 30 March 2025, a period of 18 months. Although these differing periods limit direct year-on-year comparability, it remains imperative to provide our shareholders with qualitative and quantitative commentaries to ensure clarity and context regarding the financial statements presented in this Annual Report.

The Group recorded revenue of RM291.1 million for the financial year ended 31 March 2026, representing a 50.8% or RM300.9 million contraction from RM592.0 million in the previous financial period. This performance reflects the cyclical winding down of major international projects in Iraq and Cambodia following their substantial completion in the preceding period.

To mitigate this, the Group intensified its cost management strategies, containing timeline normalised core operating expenses at RM327.2 million. Backed by enhanced cost efficiencies, a capital restructuring benefit through a RM202.0 million debt waiver and the absence of RM256.3 million in asset impairments that impacted the prior period, the Group successfully repositioned its previous loss before tax of RM333.6 million to deliver profit before tax of RM92.8 million.

The Group continues to leverage its robust engineering and construction capabilities to drive top-line growth. For the current financial year, the Substation and Transmission segment generated RM147.2 million and accounted for 50.6% of the consolidated revenue.

The Group revenue from the Railways segment has increased and contributed RM105.8 million or 36% of the total revenue generated for the financial year compared to RM64.0 million for the financial period ended 31 March 2025. The increase of RM41.8 million is attributable to both the Klang Valley Double Track Phase 1 and Phase 2 projects.

The overall revenue of the Group for the year reflects the stage of completion of various projects, with certain projects nearing completion while others ranging from early to mid- stages of completion. This dynamic mix of project stages has a direct impact on revenue recognition, which is recognised progressively based on the percentage of work completed.

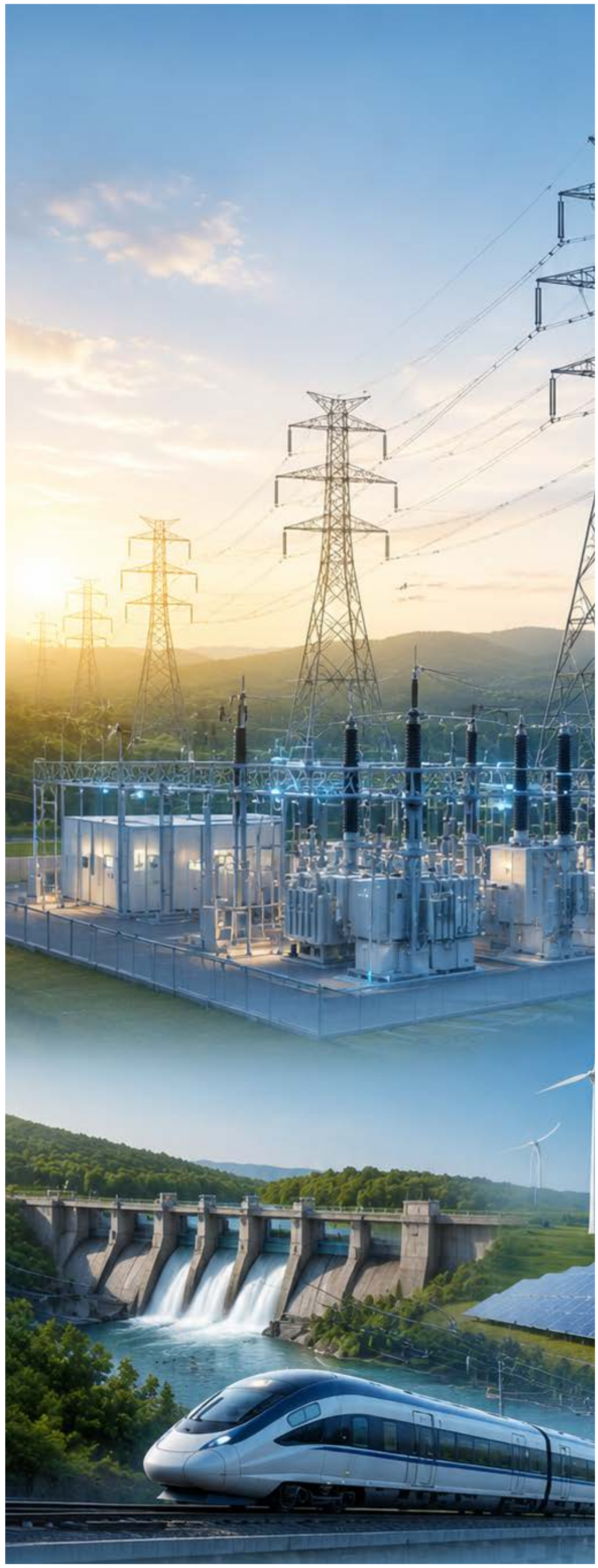
MANAGEMENT DISCUSSION & ANALYSIS

The increase in the weighted Earnings per Share was reflected in the current financial year, recorded earnings of 3.27 sen per share. An increase of 30.93 sen against a loss of 27.66 sen per share in previous financial period.

OPERATIONS STRATEGY

In FY2027, PESTEC International Berhad ("PIB Group") continued to demonstrate operational discipline and resilience, building on its recovery momentum while progressing towards sustainable growth. Amid ongoing external headwinds and liquidity constraints, the Group remained focused on project execution excellence, cost efficiency, and maintaining a high standard of delivery across key domestic and international markets.

Through our subsidiaries—PESTEC Sdn Bhd ("PSB"), Pestec Technology Sdn Bhd ("PTE"), Colas Rail Systems Engineering Sdn Bhd ("CRSE"), and Pestec Energy Sdn Bhd ("PEN")—the Group further strengthened its position as a reliable engineering, procurement, construction, and commissioning ("EPCC") partner across the power and rail sectors, while expanding its capabilities in the energy segment. Operational progress achieved during the year reflects our continued commitment to infrastructure development in line with regional energy transition priorities and long-term sustainability objectives.



A. Project Acquisition and Progress Highlights

1. Grid Infrastructure and Electrification

- **PMU Ayer Tawar Extension, Perak (TNB)**
  Awarded in January 2024, this RM11.0 million project involves the upgrading of 275kV overhead line bays and advanced control systems. As of June 2026, the project is in its final stages, with commissioning scheduled by the end of August 2026. It is expected to enhance system reliability and operational efficiency within the Perak transmission network.

- **Smart Meter Deployment (TNB)**
  In FY2026, to date RM8.803 million order has been received, covering both the 4G Cellular type and also Radio Frequency, RF single- and three-phase smart meter. PESTEC is now preparing with the qualification to meet new requirements for the RP4 bidding.

- **Hydrogen-Powered Electrification System, Sarawak**
  The first Malaysia's green hydrogen electrification project at Rumah Bangau was successfully commissioned and handed over on 10 December 2024. Since then, Pestec still support the system to ensure continuous operation of the system to ensure 24/7 electricity supply to the village. This project marked a historical partnership with Sarawak Energy Berhad (SEB) for the innovative solution and proceeded to apply the filing for Utility Innovation (UI).

- **KLIA Automated People Mover ("APM")**
  The RM175 million contract with Malaysia Airports Holdings Berhad has been completed with the APM commenced operation on 1 July 2025. The contract is a joint venture between PTE with IJM Construction and Alstom, with PTE taking the lead in the APM traction power distribution system, communication and interface.

B. Execution Highlights by Geography

1. Malaysia

PESTEC's home market remained the cornerstone of its operations, contributing significantly to revenue and project delivery milestones across both power and transport infrastructure.

PMU Junjung (500/275kV)
Successfully commissioned in December 2023, this strategic substation enhances the national grid's capacity and stability, particularly in Peninsular Malaysia's northern corridor.

PMU Cahaya Baru
As of March 2026, the project has progressed significantly and remains on track for completion. It will play a critical role in supporting industrial growth in Johor's eastern region by ensuring robust transmission capacity to meet future demand.

275kV Underground Cable (Prince Court to Ampang)
The project has achieved significant progress. Pipe laying works were substantially completed in 2025, while cable pulling and jointing activities are currently underway. The project remains on track for completion by the end of 2026 and will strengthen supply reliability within a key Kuala Lumpur demand corridor.

NUR North and AT&S Substations
The project strengthens NUR's distribution capacity, system reliability and supply security for high-tech industrial customers within Kulim Hi-Tech Park. PESTECH contributed to this objective through the design, construction, supply, delivery, erection, testing and commissioning of the new 132kV GIS North Substation and the connection of the AT&S substation. The facilities were handed over for operation in February 2025 and are now approaching the end of the defects liability period.

MRT Putrajaya Line (SSP-SY-205)
Work and Defect Liability Period ("DLP") have been completed for the MRT2 Project, contributing to the nation's railway system and passengers' transportation.

KVDT1 Electrification
Electrification and signaling works had been completed for the Klang Valley Double Tracking Project Phase 1, contributing to improved rail network efficiency and reliability.

KVDT2 Electrification and Communications
Port Klang Upline Electrification enabling works were successfully handed over. Seremban Upline achieved 25% completion and remains on track to meet its November 2026 completion target.

RTS Johor Bharu (750VDC)
The 750VDC system energized in December 2025 and enabled the trains to perform dynamic test from Johor Bharu until Singapore. Project in the stage of test and commissioning with Other Work Package Contractors' system.

2. **Philippines**

PESTECH's presence in the Philippines remains closely aligned with NGCP's continuing grid expansion and reliability enhancement program, particularly in projects aimed at strengthening transmission capacity, improving power quality, supporting load growth, and reinforcing island interconnections. Through its involvement in key NGCP projects such as the Cebu–Bohol 230kV Interconnection, South Luzon Substation Upgrading Projects, and the Nabas–Caticlan–Boracay 138kV Transmission Line, PESTECH continues to contribute to the development of a more resilient and reliable Philippine transmission network.

Cebu–Bohol 230kV Interconnection
PESTECH supported NGCP's vision of strengthening island interconnections and improving Visayas grid reliability through its delivery of the Corella Substation component, a key facility supporting secure power transfer between Cebu and Bohol.

South Luzon Substation Upgrading Project (Stage 1)
The project covers the upgrading of 230kV San Juan, Lumban and Daraga Substation. The Lumban Substation has been completed, the Daraga Substation has been energized, while the San Juan Substation remains under focused recovery to complete the remaining interim scheme works.

Nabas–Caticlan–Boracay 138kV Transmission Line
PESTECH's scope covers the substation portion of the Nabas–Caticlan–Boracay 138kV transmission system. The Nabas Substation has been completed, while Boracay Substation works are progressing, with remaining activities focused on completion of substation equipment, protection, control, communication, testing and commissioning works.

South Luzon Upgrading Stage 2 (Schedule III)
The project encompasses upgrading works at seven substations involving 230kV and 69kV facilities. As of March 2026, implementation is progressing in line with the project plan, with major upgrade activities underway to strengthen capacity and reliability across the South Luzon transmission network.

3. **Papua New Guinea**

Port Moresby Urban Distribution System Upgrade
The Port Moresby 11kV distribution upgrade project has been successfully completed and is currently in the Defects Liability Period (DLP). Remaining activities are limited to as-built documentation and the resolution of minor defect items. The project enhances the reliability and performance of the urban distribution network in Port Moresby.

Port Moresby IHG Hotel Rooftop Solar Project
PESTEC was awarded the project to install 260kWac rooftop solar project under the PNG Power Ltd (PPL) Rooftop Solar PV Pilot Scheme. Project in status is presently at about 75% completion pending for the final connection to the grid incoming power cables. Expecting to start the testing and commissioning by late August 2026.

4. **Iraq**

Baghdad GIS Substations (4x132/33/11kV)
Under a USD81.7 million contract with the Iraqi Ministry of Electricity, the project reached 86.73% completion. The current situation in the Middle East has impacted progress to completion.

5. **Cambodia**

PESTEC's long-standing partnership with Electricité du Cambodge (EDC) has established the Group as a trusted infrastructure delivery partner in the Kingdom, supporting Cambodia's national electrification agenda and urban development objectives.

230kV Stung Tatay Hydropower Plant to Phnom Penh Transmission Line
This high-voltage transmission line enhances connectivity between power generation assets in Cambodia's south-western region and key demand centres in Phnom Penh. The project was successfully completed and energised on 10 June 2026, achieving its Commercial Operation Date and strengthening grid reliability to support rising demand in the capital.

Phnom Penh City Transmission and Distribution System Expansion -Underground Distribution Project (Phase 2)
This project enhances the safety, reliability, and visual appeal of Phnom Penh's power distribution network through the expansion of underground distribution infrastructure in key urban areas. The project was successfully completed in May 2026 and is expected to deliver improved network performance and urban aesthetics across the city.

Summary

Across diverse geographies, PESTEC has consistently delivered critical infrastructure through a strong project management, technical competency, and strategic alignment with each country's national development goals. These projects not only demonstrate execution strength but also reinforce PESTEC's positioning as a regional enabler of energy and transport transformation.

C. RISK FACTORS AND CHALLENGES

In line with the strategic & priorities outlined in the Chairman's message, PESTEC acknowledges that while the Group's risk landscape in 2026 remains structurally consistent with prior years, the intensity and interconnectedness of risks have increased. Escalating geopolitical tensions, particularly involving Iran–US/Israel, are expected to exert broader economic pressure through elevated energy prices, supply chain disruptions, and heightened market volatility.

As the Group continues to stabilise its financial position and strengthen operational performance, the following key risks and challenges remain central:

1. **Geopolitical and Country Risk**

   PESTEC operates across multiple jurisdictions, including Cambodia, the Philippines, PNG, and Iraq, which present both opportunities and exposure to political, regulatory, and economic risks.

   In 2026, heightened geopolitical tensions are expected to:
   - Increase global energy costs and inflationary pressure
   - Amplify political and regulatory uncertainty
   - Affect investor sentiment in emerging and frontier markets

   These developments may result in delays in project execution, policy changes, and increased sovereign risk across operating markets.

2. **Foreign Exchange and Liquidity Risk**

   Exposure to multiple currencies, particularly the USD and local currencies, continues to present challenges in cash flow management and earnings stability.

   Global uncertainty and rising energy prices are expected to:
   - Drive currency volatility and potential depreciation in local markets
   - Tighten foreign exchange availability in certain jurisdictions
   - Increase pressure on liquidity and funding access

   These factors heighten risks relating to fund repatriation, financing costs, and overall cash flow predictability.

3. **Execution Risk and Operational Complexity**

   As an EPCC player with projects across diverse geographies, PESTEC faces inherent execution risks. In 2026, these risks are further elevated by:
   - Supply chain disruptions and extended procurement lead times
   - Increased logistics costs driven by higher fuel prices
   - Contractor performance challenges amid inflationary pressures

   These conditions may contribute to project delays, cost overruns, and increased operational complexity, reinforcing the importance of enhanced planning and execution discipline.

4. **Credit and Counterparty Risk**

   Engagements with government-linked entities may continue to result in extended receivable cycles and uncertainty in payment timelines.

   Macroeconomic pressures, including higher energy costs and constrained fiscal positions, may:
   - Delay payments
   - Increase counterparty credit risk
   - Affect project cash flow stability

5. **Debt and Financial Restructuring Risk**

   Ongoing restructuring efforts remain subject to external market conditions. In a more volatile financial environment characterised by:
   - Higher interest rates
   - Reduced risk appetite among lenders
   - Tightened credit markets

   the Group faces risks in securing favourable refinancing terms, meeting financial obligations, and executing asset monetisation strategies.

6. **Talent Retention and Leadership Stability**
   Organisational transformation amid a challenging external environment may impact talent retention and leadership continuity. Sustaining a skilled and motivated workforce remains critical to maintaining operational performance and executing the Group's strategic priorities.

7. **ESG, Compliance, and Reputation Risk**
   Increasing stakeholder expectations around governance, sustainability, and ethical conduct continue to shape the Group's operating environment.
   Geopolitical tensions and evolving regulatory frameworks further heighten the need for:
   - Strong compliance practices
   - Transparent ESG disclosures
   - Robust governance standards

   Failure to meet these expectations could impact the Group's reputation and ability to secure future opportunities.

Conclusion

The Group remains committed to navigating these challenges with discipline, transparency, and adaptability. In an environment marked by heightened geopolitical uncertainty and economic volatility, PESTEC will continue to prioritise financial resilience, operational excellence, and strong governance as it advances its recovery and long-term growth strategy.

D. FUTURE PROSPECTS AND OPPORTUNITIES

Malaysia and the broader ASEAN region remain at a critical juncture in their energy and infrastructure transformation. Structural shifts driven by decarbonisation, digitalisation, and regional integration continue to reshape the operating landscape. In this environment, the Group is strategically positioned to capitalise on emerging opportunities, leveraging its capabilities in power transmission, substation systems, and rail electrification to support national development priorities and regional expansion.

Energy Transition and Grid Investments

Tenaga Nasional Berhad ("TNB") continues to play a pivotal role in advancing Malaysia's energy transition agenda through sustained investments in grid modernisation, renewable energy integration, and system resilience. In line with Regulatory Period 4 (RP4), capital expenditure remains focused on strengthening transmission and distribution networks to accommodate evolving energy demand and ensure grid stability.

Electricity demand continues to demonstrate steady growth, supported by economic expansion and structural demand drivers, including industrial development and digital infrastructure. This trend is expected to drive continued investments in grid reinforcement, substation upgrades, and high-voltage transmission infrastructure.

National Energy Transition Roadmap (NETR) and Policy Developments

Malaysia's National Energy Transition Roadmap ("NETR") remains the cornerstone of the country's long-term strategy to transition towards a low-carbon energy system. Under Budget 2026, Malaysia has reaffirmed its commitment to achieving 70% renewable energy capacity by 2050, supported by policy reforms, private sector participation, and targeted funding initiatives.

Key initiatives under NETR include:
- Expansion of Large-Scale Solar programmes (LSS5, LSS5+ and LSS6), with LSS6 alone expected to contribute approximately 2 GW of additional capacity.
- Implementation of the Corporate Renewable Energy Supply Scheme (CRESS), enabling direct procurement of renewable energy by corporate consumers
- Introduction of carbon pricing mechanisms and further development of the domestic carbon market via Bursa Carbon Exchange
- Advancement of energy transition technologies, including hydrogen, energy storage, and carbon capture solutions.
- In addition, reforms introduced between 2025 and 2026—such as revised tariff structures, the Solar ATAP programme, and the transition to Automatic Fuel Adjustment (AFA)—are accelerating renewable energy adoption and reshaping the national electricity market.

Regional Energy Integration and East Malaysia Growth

East Malaysia, particularly Sarawak, continues to strengthen its position as a key energy hub within ASEAN. Ongoing investments in renewable energy generation, grid infrastructure, and industrial ecosystems are supporting rising demand from energy-intensive industries and digital infrastructure.

At the regional level, momentum behind the ASEAN Power Grid (APG) is increasing, with greater emphasis on cross-border electricity trading, system integration, and transmission interconnectivity.

These developments are expected to generate opportunities in transmission infrastructure, interconnection systems, and cross-border energy projects, aligning with the Group's core capabilities.

Digital Economy and Electricity Demand Growth

Malaysia's digital economy, particularly the rapid expansion of data centres, is emerging as a key driver of electricity demand. Demand growth for FY2026 remains supported by the scaling of high-load digital infrastructure, which requires reliable and high-capacity power supply.

The increasing number of data centre projects and electricity supply agreements is expected to:

- Drive investment in transmission and distribution infrastructure
- Increase demand for high-reliability substations and backup power systems
- Accelerate grid digitalisation and system optimisation

This structural demand trend provides a sustainable pipeline of opportunities for the Group's EPCC and engineering solutions.

Rail Electrification and Sustainable Mobility

Malaysia's rail sector continues to benefit from government initiatives promoting sustainable transportation and reduced carbon emissions. Ongoing and planned projects across urban transit and intercity rail systems are expected to support steady demand for electrification and system integration works.

The Group remains well-positioned in this segment, supported by its proven track record in executing projects such as the Automated People Mover at KLIA, KVDT1, and MRT Putrajaya Line, as well as its in-house engineering and specialised capabilities.

Order Book and Strategic Positioning

As at the reporting period, the Group maintains a robust tender book of approximately RM1 billion, comprising opportunities across power transmission, substations, renewable energy infrastructure, and rail systems.

The Group continues to focus on disciplined project selection, enhanced governance, and operational execution to strengthen its order pipeline and ensure sustainable margin delivery.

Conclusion

The Group remains well-positioned to benefit from Malaysia's accelerating energy transition, infrastructure modernisation, and regional energy integration initiatives. Its capabilities in transmission, electrification, and engineering solutions are closely aligned with national priorities under NETR, as well as evolving market demands driven by decarbonisation and digitalisation.

Across ASEAN, demand for reliable power infrastructure remains robust, supported by economic growth, renewable energy development, and increased interconnectivity. The Group's presence in the Philippines, Cambodia, and Papua New Guinea provides a strong platform for further regional expansion.

Backed by a healthy tender pipeline, strengthened governance framework, and improving operational delivery, the Group remains confident in its medium- to long-term growth trajectory. Moving forward, PESTEC will continue to focus on delivering sustainable value to stakeholders while supporting national and regional development.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Sustainability Journey at a Glance

EMPOWERING SUSTAINABLE INFRASTRUCTURE

Pestec recognises the role that power transmission, substation and rail electrification infrastructure play in supporting economic activity, energy systems and connectivity across the markets where we operate. As an electrical power technology solutions provider, the Group considers sustainability factors in strategic planning and decision-making to support responsible project delivery and operational management.

Across our power and rail engineering operations in Malaysia and Cambodia, these considerations are applied in project design and execution processes where relevant. They inform decision-making at both project and corporate levels and are reflected in established governance and control mechanisms.

During the year, the Group enhanced internal governance arrangements by aligning sustainability oversight with our organisational structure and formalising a sustainability framework that defines sustainability focus areas and clarifies implementation responsibilities. Climate-related risks and opportunities (“CRROs”) are also being identified and considered within the Group’s broader risk and internal control processes as part of this ongoing development. These steps aim to strengthen oversight, transparency and governance around sustainability matters across the organisation.

The Group continues to monitor developments in the regulatory landscape, including the National Sustainability Reporting Framework (“NSRF”) and Bursa Malaysia’s Main Market Listing Requirements. In response, we initiated refinements to organisational processes and performance indicators to support structured compliance and improved transparency.

This Sustainability Statement (“the Statement”) presents the Group’s performance, progress and management practices for the financial year. The disclosures reflect ongoing efforts to reinforce oversight, operational discipline and corporate accountability.

SUSTAINABILITY STATEMENT

Reporting Scope and Boundary

This Statement presents information on Pestec International Berhad ("PIB") and our subsidiaries (collectively referred to as "the Group") for the financial year from 1 April 2025 to 31 March 2026 ("FY2026"). The reporting scope includes the Group's operations in Malaysia and Cambodia.

Entities	Principal Activities	Location
Pestec International Berhad	Investment holding	Malaysia
Pestech Sdn. Bhd.	Power system engineering and technical solutions covering the design, procurement and installation of substations, transmission lines and underground cables used in electricity transmission and distribution.	Malaysia
Pestech (Cambodia) Plc.	Construction of electrical substations and transmission lines.	Cambodia
Pestech Technology Sdn. Bhd.	Design, engineering, supply and commissioning of plant systems for power plants and rail electrification projects.	Malaysia
Pestech Transmission Sdn. Bhd.	Design, procurement, construction and commissioning of High Voltage ("HV") and Extra High Voltage ("EHV") substations.	Malaysia
Pestech Energy Sdn. Bhd.	Design and supply of remote-control systems, data communication products and related services.	Malaysia
CRSE Sdn. Bhd.	Project management, engineering, design, procurement and construction services related to railway electrical and mechanical projects.	Malaysia
IJMC-Pestech Joint Venture	Execution of the Automated People Mover project at Kuala Lumpur International Airport.	Malaysia

Note: Due to the restructuring of certain entities within the Group, comparative data for prior periods is not available. Accordingly, the reporting scope reflects data and information for operational activities in FY2026 only.

Guiding Reporting Frameworks

This Statement has been prepared in accordance with the sustainability reporting requirements under Bursa Malaysia's Main Market Listing Requirements ("MMLR"). Our disclosures also reference the NSRF, which incorporates the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards S1 and S2 issued by the International Sustainability Standards Board ("ISSB") into Malaysia's national sustainability reporting framework. In FY2026, PIB commenced reporting on selected IFRS S2 climate-related disclosures and will progressively enhance our reporting in future periods.

Where relevant, we reference selected Global Reporting Initiative ("GRI") Standards to support clarity and comparability of disclosures. The Group has also mapped selected sustainability initiatives to the United Nations Sustainable Development Goals ("UN SDGs") to illustrate their broader relevance to global development priorities while remaining aligned with the Group's operational context.

Statement of Data Integrity

Internal processes have been established to collect, review and consolidate sustainability-related data from relevant departments and project teams across the Group. The information disclosed in this Statement has been internally reviewed by designated data owners to ensure accuracy. PIB will continue to strengthen internal controls, documentation and data management processes to enhance the robustness of future disclosures.

Certifications and Recognition

The Group maintains internationally recognised ISO management system certifications across relevant entities to support quality, environmental and occupational health and safety management practices.

During FY2026, Pestech Technology Sdn. Bhd. and Pestec Sdn. Bhd. maintained the following ISO certifications, with Pestec Sdn. Bhd. also obtaining ISO 37001:2025 certification for its Anti-Bribery Management System.

ISO 37001:2025	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
Anti-Bribery Management Systems	Quality Management Systems	Environmental Management Systems	Occupational Health and Safety Management Systems

These certifications reflect the Group's management systems which are aligned with recognised international standards.

Feedback

We welcome stakeholders' feedback on this Statement. Comments may be submitted through the contact details below.

Pestec International Berhad

Email: info@pestec-international.com

SUSTAINABILITY STATEMENT

Our Approach to Sustainability

Sustainability Strategy

PIB's Sustainability Strategy provides a framework defining the Group's sustainability principles and goals, guiding strategic planning and decision-making. Anchored in our vision and mission, the strategy aligns our sustainability efforts with core business objectives and material topics across economic performance, governance, environmental management and social responsibility.

Through this framework, we seek to strengthen resilience, enhance stakeholder trust and deliver long-term value.

Vision

Consistently Dependable and Value Add as a Sustainable Electrical Infrastructure Builder

Mission

- To be effective in performing our duties and providing services to internal and external customers
- To be efficient in handling our duties and services to achieve maximum result in shortest possible time
- To be excellent in our performance to exceed customer requirements and value add to their investment

Strategic Thrusts

Drive long-term economic performance through responsible procurement and sustainable business practices.	Uphold robust corporate governance and transparent decision-making, including anti-corruption practices and safeguard stakeholder data against cybersecurity risks.	Minimise environmental and operational emissions through the effective management of energy, waste and water consumption.	Strengthen workforce and social responsibility practices by upholding health and safety standards, fair labour practices and employee development, while supporting engagement with local communities.

Focus Areas & Material Sustainability Matters

Building Economic Prosperity	Strengthening Responsible Governance	Promoting Environmental Stewardship	Fostering Social Responsibility
EP Economic Performance	CGAC Corporate Governance and Anti-corruption	ENM Energy Management	OHS Occupational Health and Safety
IEI Indirect Economic Impacts	DPC Data Privacy and Cybersecurity	EMM Emissions Management	LSHR Labour Standards and Human Rights
TX Tax		WSM Waste Management	PCL Prevention of Child Labour
MP Market Presence		WTM Water Management	EMP Employment
PP Procurement Practices			TM Talent Management
SSA Supplier Social Assessment			CE Community Engagement

Alignment with the UN SDGs

Key Stakeholder Groups

Shareholders & Investors | Government & Regulatory Authorities | Financial Institutions | Employees | Suppliers & Vendors | Customers | Local Communities

Sustainability Policy

The Group's Sustainability Policy sets out the principles and commitments that guide the integration of sustainability considerations into our operations, governance and stakeholder engagement. The policy establishes the standards, expectations and responsibilities for consistent implementation across our operations.

Our sustainability policy covers economic performance, governance, environmental impact and social responsibility, structured around four core focus areas:

Building Economic Prosperity

i. Drive sustainable financial growth while delivering value to our shareholders and stakeholders.

Strengthening Responsible Governance

i. Promote ethical business conduct and integrity, including the appropriate management of conflicts of interest;

ii. Adhere to applicable laws, regulations and industry standards, supported by periodic reviews of compliance mechanisms and relevant policies; and

iii. Maintain transparent and timely communication with stakeholders on matters relating to our sustainability practices, performance and goals.

Promoting Environmental Stewardship

i. Ensure compliance with applicable environmental laws and regulations in the jurisdictions in which the Group operates;

ii. Monitor our energy use and greenhouse gas emissions and identifying opportunities to improve energy efficiency where practicable; and

iii. Manage environmental impacts associated with waste and water use, including the promotion of responsible resource management practices.

Fostering Social Responsibility

i. Uphold fair and ethical labour practices in accordance with statutory and regulatory requirements;

ii. Maintain occupational health and safety practices to safeguard the wellbeing of employees and surrounding communities;

iii. Support employee development through training, career progression and leadership opportunities; and

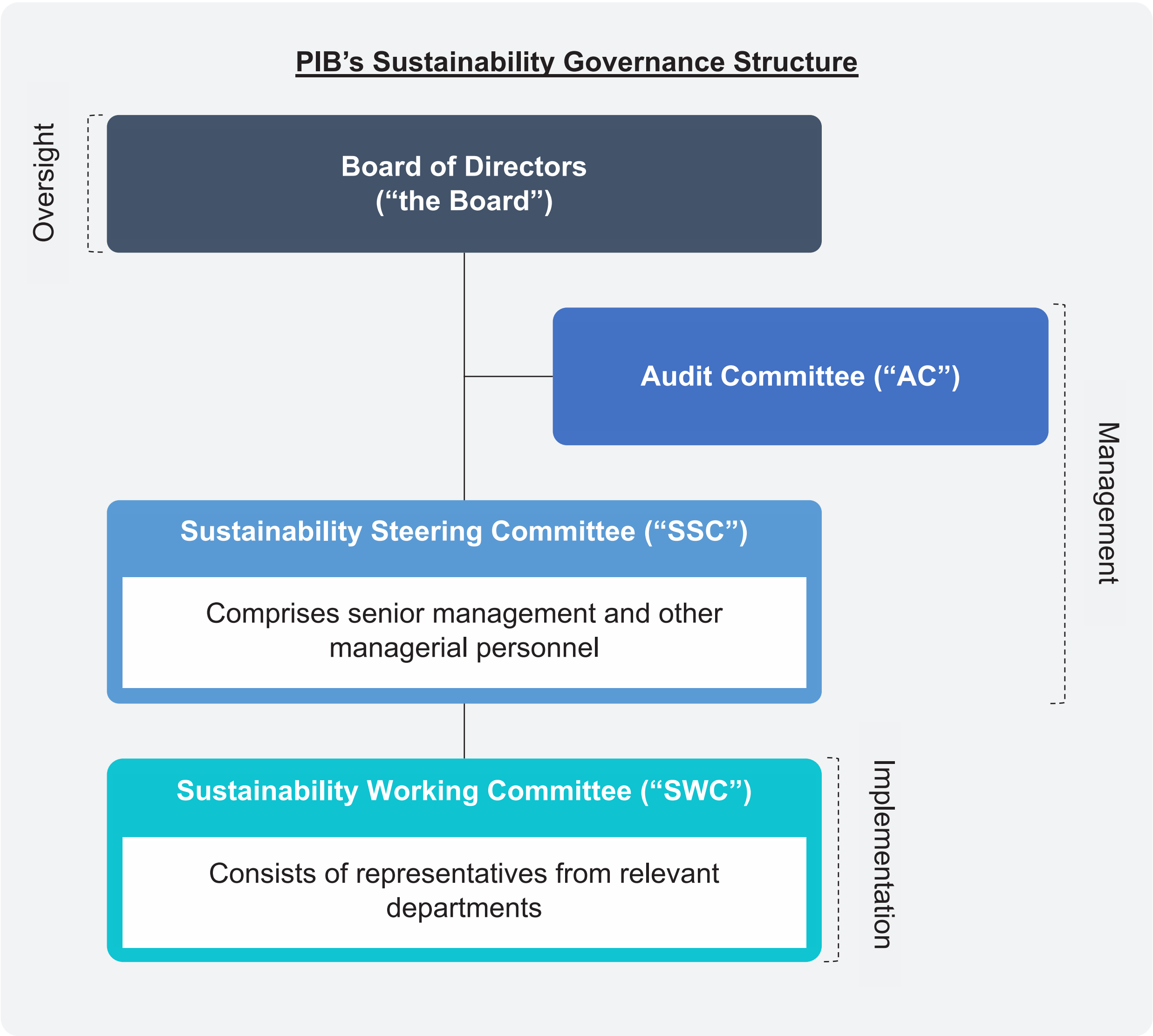
iv. Contribute to community wellbeing, where appropriate, through engagement and outreach initiatives.

SUSTAINABILITY STATEMENT

Sustainability Governance Structure

We maintain a clearly defined sustainability governance framework that supports accountability, business resilience and long-term performance. The Board of Directors ("the Board") provides oversight on sustainability and climate-related matters at the Group level and ensures their integration into business strategy and risk management processes.

The Board is supported by the Audit Committee ("AC") and the Sustainability Steering Committee ("SSC"). The SSC provides management oversight and is supported by the Sustainability Working Committee ("SWC"), which coordinates cross-functional implementation of sustainability and climate-related initiatives across the Group.



Key Roles and Responsibilities

The Board	i. Provides oversight on the Group's sustainability governance, including sustainability and climate-related strategies, policies and targets. ii. Provide strategic direction on the integration of sustainability, including sustainability and climate-related risks and opportunities, into the Group's business strategy and risk management processes. iii. Approve sustainability policies, strategies, material sustainability matters and the annual Sustainability Statement proposed by the SSC.
AC	i. Maintain oversight of the Group's risk management framework while monitoring the overall risk profile. ii. Identify and evaluate new and emerging risks, including sustainability- and climate-related risks, in collaboration with the SSC, to assess the adequacy of mitigation measures. iii. Review and monitor the adequacy and effectiveness of risk management and sustainability processes. iv. Perform additional functions as delegated by the Board in relation to sustainability governance and risk oversight.
SSC	i. Identify sustainability matters material to the Group and recommend related strategies and initiatives to the Board, under the supervision of the Chairman. ii. Support the AC in overseeing the strategic management of sustainability- and climate-related risks and opportunities. iii. Propose updates to sustainability policies, standards and procedures to the Board, where necessary. iv. Track and collate sustainability performance data for monitoring and reporting purposes, with support from the SWC.
SWC	i. Recommend sustainability practices for adoption across operations, where appropriate. ii. Execute sustainability policies, strategies and initiatives planned by the SSC and approved by the Board. iii. Coordinate cross-functional implementation of sustainability initiatives across the Group's operations. iv. Monitor implementation progress and provide regular performance updates to the SSC.

SUSTAINABILITY STATEMENT

Alignment with UN SDGs

PIB recognises that infrastructure development intersects with broader global development priorities, particularly in areas relating to energy access, economic participation, environmental management and governance standards. The following UN SDGs are most relevant to our business activities and operating footprint. These goals serve as reference points for strategic planning and operational activities across the Group.

SDG 7: Affordable and Clean Energy | Target: 7.2

We support the development of reliable and efficient energy infrastructure through projects involving renewable energy integration and energy-efficient technologies. Engineering and infrastructure projects delivered by the Group contribute to the development of solar photovoltaic ("PV") systems, electric vehicle ("EV") charging infrastructure and smart metering solutions that support the transition towards lower-carbon energy systems.

SDG 13: Climate Action | Target: 13.2

Climate considerations form part of our business strategy and operational planning. The Group provides services such as renewable energy projects, smart energy management systems, and electric vehicle infrastructure, contributing to low-carbon solutions for our clients. Internally, ongoing climate risk assessments support our efforts to manage greenhouse gas ("GHG") emissions, reduce environmental impact, and strengthen operational resilience.

SDG 12: Responsible Consumption and Production | Target: 12.6

PIB promotes responsible resource use and operational practices across our activities. Through the implementation of sustainability policies, transparent reporting, energy-efficient solutions, responsible construction practices and proper disposal of waste, the Group minimises environmental impact and upholds accountability across operations.

SDG 8: Decent Work and Economic Growth | Target: 8.5

We are dedicated to fostering inclusive and sustainable economic growth while creating meaningful employment opportunities. Renewable energy projects, smart grid solutions and large-scale infrastructure contracts create employment opportunities and support workforce development across the Group's operations. Targeted capacity-building programmes, employee benefits and fair labour practices contribute to productivity, innovation and responsible business conduct across the value chain.

SDG 16: Peace, Justice and Strong Institutions | Target: 16.6

We maintain governance practices that support transparency, accountability and ethical decision-making across our operations. The Group strengthens board governance, maintains dedicated sustainability committees and implements structured reporting frameworks to support ethical decision-making, stakeholder confidence and organisational integrity.

Stakeholder Engagement

We engage with key stakeholders to identify material concerns and understand expectations regarding our operations and projects. These interactions support regulatory compliance, effective project delivery and risk management while strengthening the Group's understanding of operational, regulatory, workforce and community priorities. Stakeholder feedback informs the Group's oversight of sustainability matters and supports alignment of business activities with stakeholder expectations and long-term sustainability objectives.

Government & Regulatory Authorities

Why They Matter? | The Group operates in regulated environments where compliance with licensing, safety and environmental requirements is essential for project approval, execution and continuity. Engagement with regulators supports timely approvals, adherence to statutory obligations and uninterrupted infrastructure delivery.

Key Areas of Interest	Our Response	Engagement Channels
• Regulatory changes • Environmental and health standards • Industry programmes	• Monitor regulatory developments and incorporate changes into operational and project planning processes • Maintain ongoing communication with relevant authorities through briefings and formal submissions on compliance matters • Facilitate regulatory site inspections and ensure timely submission of reports, permits and documentation	• Meetings • Briefings • Site visits

Engagement Frequency: Periodic/As required **Material Sustainability Matters:** ENM EMM WSM OHS LSHR

Shareholders & Investors

Why They Matter? | As an infrastructure solutions provider, the Group depends on investor confidence to support capital access and long-term business stability. Transparent communication enables investors to assess financial performance, governance standards and strategic direction.

Key Areas of Interest	Our Response	Engagement Channels
• Investment plans • Financial performance • Business prospects • Corporate governance	• Provide transparent and timely disclosures on financial performance, business developments and strategic priorities • Convene annual general meetings to enable informed engagement with shareholders and investors • Issue announcements and press releases in accordance with Bursa Malaysia Listing Requirements	• Annual general meetings • Annual/Financial reports • Press releases • Corporate website

Engagement Frequency: Annually/Quarterly **Material Sustainability Matters:** EP MP CGAC

Financial Institutions

Why They Matter? | Infrastructure projects undertaken by the Group are capital-intensive and often supported by credit facilities and structured financing. Strong relationships with financial institutions support liquidity management, funding flexibility and compliance with financing covenants.

Key Areas of Interest	Our Response	Engagement Channels
• Financial stability • Compliance with loan covenants • Risk management • Transparency & reporting	• Maintain regular engagement with banks and financial institutions regarding financial position, cash flow management and project progress • Ensure timely servicing of borrowings and ongoing compliance with financing terms and loan covenants • Provide financial reporting and disclosures in accordance with financing agreements and regulatory requirements • Engage financial institutions in discussions on funding requirements, refinancing and risk management measures	• Meetings • Financial briefings • Report submissions

Engagement Frequency: Periodic/As needed **Material Sustainability Matters:** EP CGAC

Employees

Why They Matter? | Employees play a critical role in operational performance, service delivery and innovation. Engagement with employees provides insights into workforce expectations relating to workplace conditions, career development, safety and well-being, supporting productivity, talent retention and a positive organisational culture.

Key Areas of Interest	Our Response	Engagement Channels
• Employee benefits • Talent development • Health & safety • Workplace culture & job satisfaction	• Implement human resource policies covering employee benefits and additional allowances to support workforce well-being and retention • Provide continuous training and structured career development programmes to build capabilities and support succession planning • Introduce employee wellness initiatives, including mental health support, to promote a healthy and productive workplace • Conduct regular performance appraisals and structured feedback sessions to support performance management and employee development	• One-to-one engagements • Internal briefings • Training sessions and webinars • Sporting and team-building activities

Engagement Frequency: Ongoing/Regular **Material Sustainability Matters:** OHS LSHR PCL EMP TM

Suppliers & Vendors

Why They Matter? | Suppliers and vendors provide critical goods and services that support the Group's operations. Effective supplier management and compliance with quality, ethical and regulatory standards support operational continuity and risk management.

Key Areas of Interest	Our Response	Engagement Channels
• Future collaboration and business opportunities • Fair contract terms • Procurement processes • Regulatory compliance	• Maintain structured supplier engagement programmes and conduct regular performance reviews to support operational efficiency and accountability • Conduct contract negotiations based on clearly defined terms and expectations to ensure transparency and alignment • Monitor supplier compliance with regulatory, ethical and quality standards to manage supply chain risks • Conduct awareness initiatives on ethics, fraud prevention and sustainability practices to promote responsible business conduct	• Meetings • Briefings • Supplier audits/ vendor reviews

Engagement Frequency: Periodic/As needed **Material Sustainability Matters:** EP PP CGAC

Customers

Why They Matter? | Customers are key stakeholders who rely on the Group for reliable, high-quality and innovative products and services. Sustained customer satisfaction supports long-term business growth, market competitiveness, and brand reputation.

Key Areas of Interest	Our Response	Engagement Channels
• Product/service quality • Reliability • Innovation/new technologies • Customer support	• Obtain customer feedback through surveys and direct engagements to assess service quality and reliability • Provide timely communication on project progress, service delivery and operational matters • Implement service improvement initiatives based on feedback received and performance assessments • Introduce innovative solutions and technologies to meet evolving customer needs and industry standards	• Surveys • Meetings • Briefings • Company website • Site visits

Engagement Frequency: Periodic/On-demand **Material Sustainability Matters:** MP CGAC DPC

Local Communities

Why They Matter? | Local communities include populations located near or affected by our operations. Proactive engagement and social investment contribute to community well-being, operational acceptance, and long-term stakeholder relationships.

Key Areas of Interest	Our Response	Engagement Channels
• Access to electricity • Community development • Disaster relief • Social contributions	• Implement community development initiatives that support local needs and social well-being • Provide disaster relief and emergency assistance in areas affected by unforeseen events • Engage local communities through consultations and project-level communication to address concerns and manage impacts • Support community programmes through contributions, partnerships and participation in local activities	• Community events • Project participation • Briefings • Site visits

Engagement Frequency: Ongoing/Project-based **Material Sustainability Matters:** MP IEI CE

Materiality Assessment

In identifying and addressing key sustainability matters, we prioritise issues that are most relevant to our strategic objectives and our stakeholders. In FP2025, we conducted a materiality reassessment and identified 19 sustainability matters pertinent to our operations. These priorities guide management oversight and support the development of a responsible and sustainable business model that reflects our values and meets stakeholder expectations.

1 Identification of Key Stakeholders

The Group identifies stakeholders based on the nature of their relationship with the business, the level of influence and the impact or interest in our operations.

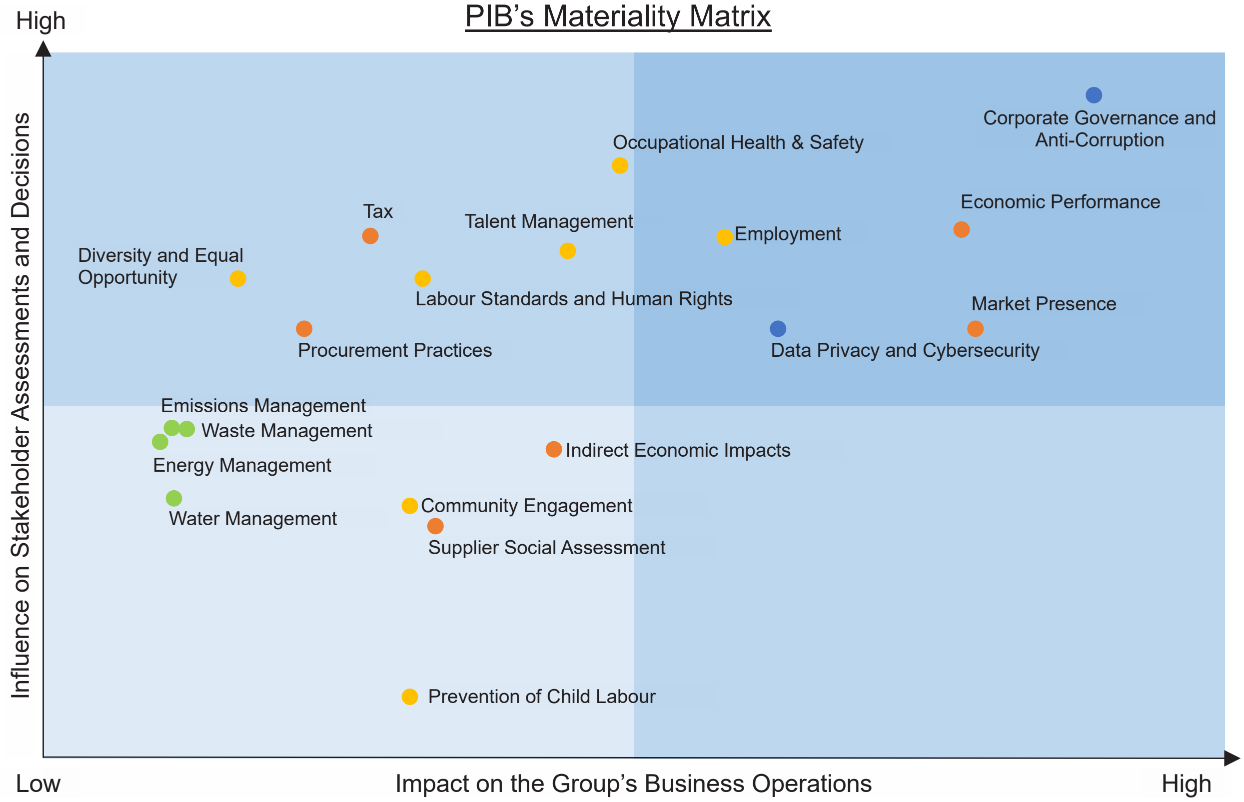
2 Identification of Key Sustainability Matters

Potential sustainability issues are analysed by considering PIB's business model, strategy, products and services and geographical presence. Feedback obtained through stakeholder engagement informs this process, ensuring that prioritised issues reflect both stakeholder expectations and business relevance.

3 Materiality Analysis

The significance and influence of each sustainability matter are evaluated using a Materiality Matrix, which maps issues based on importance to the Group and impact on stakeholder decision-making. Thresholds within the matrix distinguish matters of high materiality, which are critical to long-term business value and to meeting stakeholder interests.

PIB's Materiality Matrix



Focus Area:
- Building Economic Prosperity
- Strengthening Responsible Governance
- Promoting Environmental Stewardship
- Fostering Social Responsibility

Building Economic Prosperity

Operating in regulated, capital-intensive and project-based environments, the Group focuses on financial resilience, disciplined project execution and responsible economic contribution, supported by sound procurement and supply chain practices across the markets in which we operate.

Material Sustainability Matters

- Economic Performance
- Indirect Economic Impacts
- Tax
- Market Presence
- Procurement Practices
- Supplier Social Assessment

Key Stakeholder Groups

- Shareholders & Investors
- Financial Institutions
- Customers
- Suppliers & Vendors

Alignment with the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Economic Contribution and Value Creation

The Group generates economic value primarily through the execution of electrical infrastructure projects. Revenue supports operating expenditures, employee compensation, and statutory contributions, while retained earnings strengthen the Group's financial position. Financial management processes, including cost monitoring and capital oversight, help maintain operational continuity within a capital-intensive business model.

Economic Performance

During FY2026, the Group continued to generate economic value through our core business activities. This value is distributed to suppliers, employees, capital providers, and government authorities through operating expenditures, wages and statutory contributions. Management monitors cost structures and key financial indicators to maintain efficiency, resilience, and sustainable performance.

Indirect Economic Impacts

Beyond direct financial flows, the Group's spending on suppliers and service providers supports economic activity, while employment, engagement of local contractors, skills transfer, and improved infrastructure accessibility benefit communities and contribute to broader development objectives.

Tax Transparency & Compliance

Tax contributions form an important component of the Group's economic impact. The Group complies with applicable tax laws and statutory obligations across our operating jurisdictions. Financial reporting and disclosures are prepared in accordance with relevant accounting standards and regulatory frameworks, ensuring transparency, accountability, and stakeholder confidence.

For further details on the Group's financial performance, please refer to the Financial Statements section of the Annual Report.

Market Presence

The Group maintains an operational presence in Malaysia, Cambodia, the Philippines and Papua New Guinea, enabling participation in selected infrastructure and energy-related segments across the region.

Geographic Presence

- Malaysia
- Cambodia
- Philippines
- Papua New Guinea

Project Segments

- Grid Infrastructure
- Power Systems
- Rail Electrification

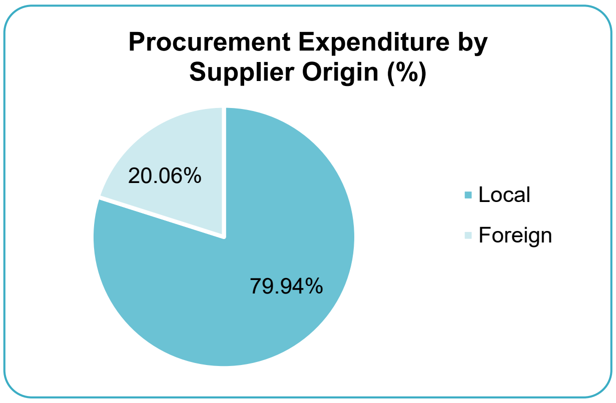
Execution Strengths

- Technical Capability
- Contractual Performance
- Regulatory Compliance

Responsible Procurement

Procurement is a core component of the Group's operations, supporting supply chain continuity and the reliable delivery of infrastructure projects. The sourcing of equipment, materials, and services directly influences project quality, cost efficiency, and operational performance.

Core components and technologies, such as high-voltage equipment, protection systems, and advanced control infrastructure, are procured in accordance with project specifications and regulatory requirements. Local suppliers are prioritised where they meet the necessary technical, compliance and performance standards. In FY2026, 79.94% of the Group's total procurement expenditure was directed towards local suppliers.



The Group applies structured supplier evaluation and oversight processes to ensure procurement integrity. Suppliers are required to undergo formal registration and assessment of their capabilities, compliance and ethical standards. This process includes the submission of documentation, an integrity pledge and evaluation against established criteria to safeguard quality, compliance and accountability throughout the supply chain.

Strengthening Responsible Governance

Responsible governance underpins PIB's operations and long-term stability. Strong oversight, defined accountability and adherence to regulatory requirements support effective decision-making, ethical conduct and transparent engagement with stakeholders.

Material Sustainability Matters

- Corporate Governance and Anti-Corruption
- Data Privacy and Cybersecurity

Key Stakeholder Groups

- Shareholders & Investors
- Government & Regulatory Authorities
- Employees
- Suppliers & Vendors

Alignment with the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance and Anti-Corruption

The Group upholds a sound corporate governance framework to promote accountability, integrity and compliance with applicable laws and regulations. In line with the Malaysian Code on Corporate Governance ("MCCG") 2021, the Board provides strategic oversight of the Group's direction, risk management and internal control systems.

The Board is supported by established Board Committees and formalised policies that set standards for ethical conduct and anti-corruption practices. These structures reinforce transparency, strengthen internal controls and promote responsible decision-making across the Group.

PIB's Corporate Policies		
Anti-Bribery and Corruption Policy	Board Charter	Board Diversity Policy
Director's Code of Conduct	Data Security and Protection Policy	Fit and Proper Policy
Human Rights Policy	No Child Labour Policy	No Illegal Foreign Labour Policy
Corporate Disclosure Policy	Occupational Health and Safety ("OHS") Policy	Quality Policy
Remuneration Policy	Sustainability Policy	Whistleblowing Policy

For more information on our corporate policies, please visit our website: www.pestech.com.my

Anti-Bribery and Corruption

The Group's Anti-Bribery and Corruption ("ABAC") Policy is supported by our Anti-Bribery Management System ("ABMS"), which is certified to ISO 37001:2025. The policy establishes standards and controls governing ethical conduct across the Group and applies to the Board of Directors ("the Board"), management, employees and contract workers, and sets clear expectations for integrity in all business dealings.

In FY2026, the Group conducted anti-corruption training on Corporate Liability under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 Section 17A for employees to strengthen awareness of corporate obligations and reinforce a culture of compliance and ethical business conduct.

Whistleblowing Policy

To complement the Group's governance framework and strengthen accountability, formal channels are maintained to facilitate the reporting of suspected misconduct, unethical behaviour or regulatory breaches. Employees and relevant stakeholders may raise concerns through designated reporting channels established under the Whistleblowing Policy.

Whistleblowing Channels

Email Address:
whistleblower@pestec-international.com

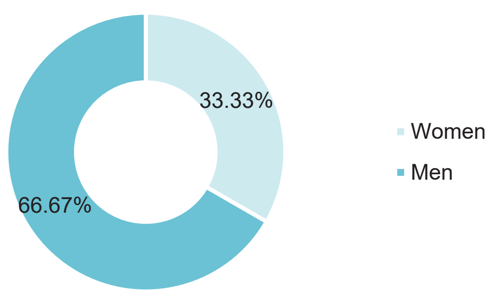
Physical Mail Address
Wisma Masyhur
45, Jalan Medan Setia 1,
Bukit Damansara,
50490 Kuala Lumpur W.P.

The Audit Committee oversees the implementation of this framework and reviews matters raised where appropriate. Reports are managed through defined procedures designed to preserve confidentiality and ensure concerns are assessed independently and in accordance with established protocols.

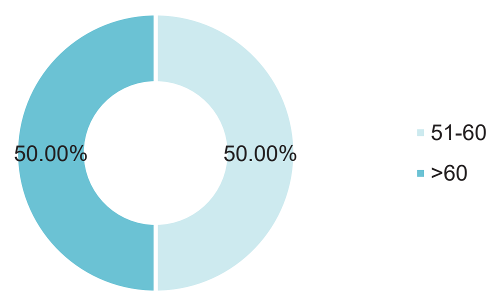
Board Diversity

In line with the Malaysian Code on Corporate Governance ("MCCG") 2021, the Group maintains a target of at least 30.00% women on the Board. As of FY2026, the Board comprised six members, of whom 33.33% were women and 66.67% were men.

Board Gender Diversity



Board Age Diversity



Risk Management

The Group maintains an Enterprise Risk Management ("ERM") framework to identify, assess, monitor and manage significant risks arising from its operations. The Board oversees the Group's risk management and internal control systems and reviews their adequacy, integrity and effectiveness. The framework encompasses financial, operational and compliance controls to support the management of risks across the Group.

The internal audit function provides independent assurance on the adequacy and effectiveness of the Group's internal control systems, as well as compliance with established processes, policies, procedures and applicable laws and regulations. Internal audits are conducted using a risk-based approach, with the audit plan developed based on the Group's risk profile.

Data Privacy and Cybersecurity

Protecting confidential and personal data is a key part of the Group's governance and risk management framework. Effective data privacy and cybersecurity measures are essential to safeguarding sensitive information, maintaining business continuity and ensuring compliance with regulatory requirements, including the Personal Data Protection Act ("PDPA") 2010 and its amendments.

ZERO
substantiated complaints concerning customer privacy breaches and customer data loss in **FY2026**.

The Group's Privacy Notice establishes the framework for the collection, use and protection of personal data across our business operations. It applies to employees, directors and other individuals engaging with the Group, while also outlining individuals' rights relating to their personal data and the Group's approach to cross-border data transfers, data retention and the use of cookies on our website. To oversee compliance with applicable data protection requirements, the Group has also appointed a Data Protection Officer.

To protect personal data, the Group implements administrative, technical and physical safeguards, including access controls, secure information systems, personnel confidentiality obligations and internal governance procedures to prevent unauthorised access, disclosure or misuse.

Promoting Environmental Stewardship

PIB's infrastructure projects operate within regulated environments that require disciplined environmental management and compliance. Environmental stewardship is integrated into our project governance to manage emissions, resource use and climate-related risks across the Group.

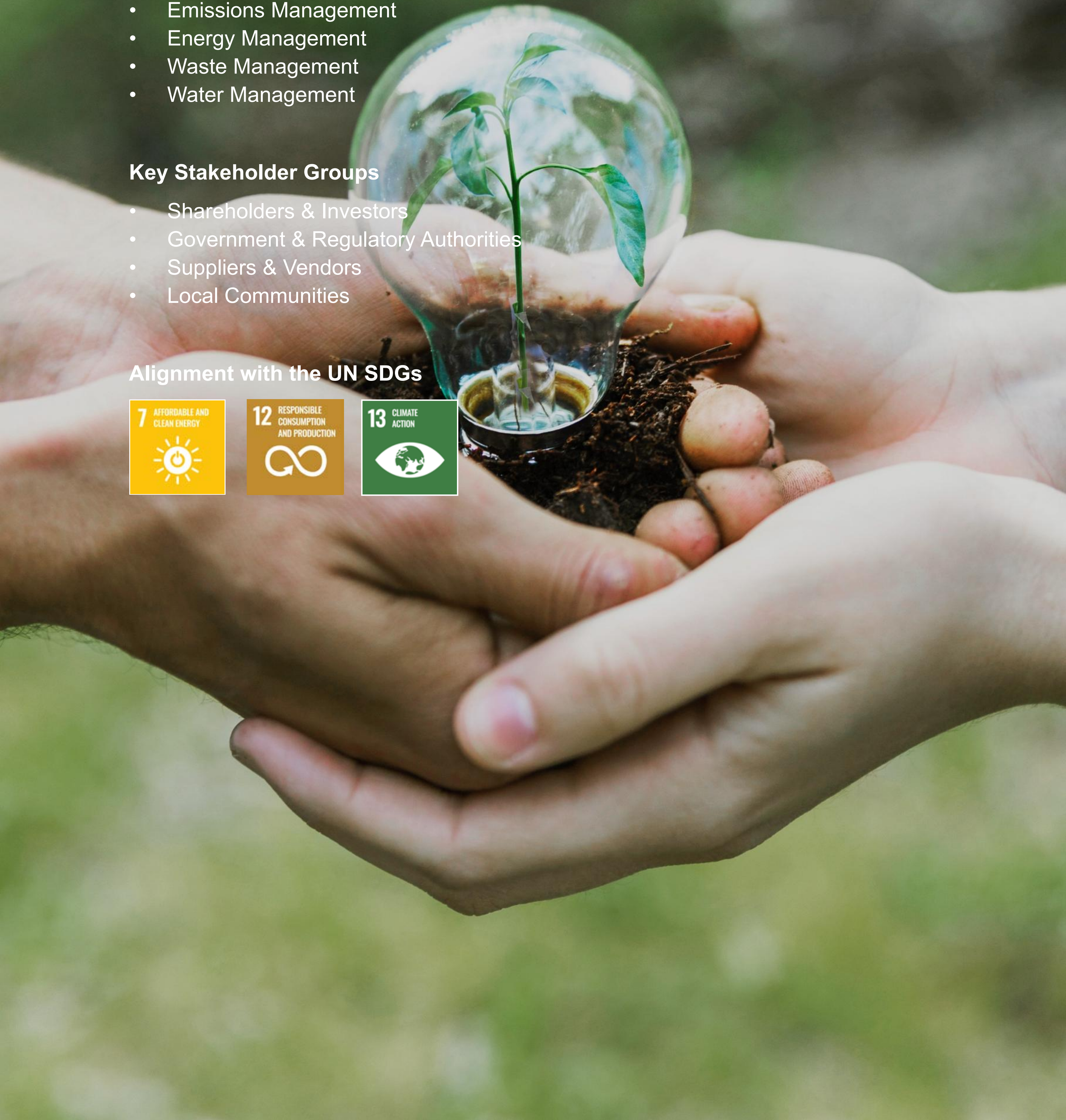
Material Sustainability Matters

- Emissions Management
- Energy Management
- Waste Management
- Water Management

Key Stakeholder Groups

- Shareholders & Investors
- Government & Regulatory Authorities
- Suppliers & Vendors
- Local Communities

Alignment with the UN SDGs



Ensuring Climate Resilience: Energy and Emissions Management

The Group's operations generate emissions through fuel consumption, electricity usage and transportation activities associated with the delivery of transmission, substation and grid infrastructure projects. Energy use arises from project execution and site mobilisation during construction and commissioning. Managing energy and emissions helps improve cost efficiency, operational performance, and strengthen the Group's climate performance.

Regulatory developments and changing market expectations influence how we manage emissions and climate-related risks. These factors are assessed within our existing risk management and compliance processes to monitor potential operational and financial implications.

We structure our climate-related disclosures with reference to the core components of IFRS S2 Climate-related Disclosures, namely Governance, Strategy, Risk Management and Metrics and Targets. This structure guides how climate-related oversight, risk evaluation and performance monitoring are presented within the Group.

Governance

The Board oversees climate-related risks and opportunities ("CRROs") within the Group's overall governance structure. The AC, SSC and SWC support this oversight through defined reporting lines and management coordination.

These bodies review climate-related exposures within the broader risk management framework, evaluate potential regulatory and operational implications and monitor relevant developments. This structure ensures accountability in identifying and addressing climate-related risks within existing governance processes.

For further information on the roles and responsibilities for climate oversight and management, refer to the "Sustainability Governance Structure" section.

Strategy

PIB incorporates climate-related considerations into project planning, regulatory compliance and operational risk evaluation.

Regulatory developments, evolving environmental standards and changing stakeholder expectations may influence project specifications, procurement requirements and cost structures over time. Management reviews these developments within existing governance and risk management processes to assess potential operational and financial implications.

In evaluating climate-related exposure, the Group considers both physical and transition risks. These risks are assessed across defined time horizons:

- short-term (1–5 years)
- medium-term (5–10 years)
- long-term (beyond 10 years)

This approach supports the identification of potential impacts on project delivery, asset performance and supply chain continuity.

Physical Risks

Physical risks represent one component of the Group's climate-related assessment. They arise from environmental conditions that may affect site operations, infrastructure durability and supply chain continuity. Weather patterns and temperature variations may influence construction timelines, workforce safety and asset performance.

Description of Risks	Potential Impacts	Potential Mitigation Measures
Acute (Short-term to long-term)		
Extreme weather events, including heavy rainfall, flooding, heatwaves and landslides, may result in immediate operational disruption.	• Delays in the delivery or installation of electrical infrastructure due to weather-related supply chain disruption • Temporary suspension of site activities affecting project timelines	• Maintain contingency planning for project scheduling and logistics • Monitor supplier arrangements to reduce dependency on single sources • Implement site-level emergency response procedures
Chronic (Long-term)		
Gradual long-term effects, including altered rainfall patterns, sea-level rise and rising temperatures, may lead to sustained operational impacts.	• Reduced workforce productivity and increased heat-related health risks • Higher operating costs arising from temperature control and maintenance requirements	• Review occupational safety measures in high-temperature environments • Incorporate preventive maintenance planning to protect equipment performance

Transition Risks

Transition risks arise from regulatory, technological and market developments that may influence project specifications, compliance requirements and cost structures over time. Changes in environmental regulations, evolving industry standards and shifting stakeholder expectations may affect how infrastructure projects are designed, procured and delivered.

Description of Risks	Potential Impacts	Potential Mitigation Measures
Policy and Legal (Medium-term to long-term)		
Changes in climate-related policies and regulations, including potential carbon pricing mechanisms.	• Increased operating expenditure arising from regulatory compliance and potential carbon-related costs • Potential financial exposure from regulatory penalties or contractual non-compliance	• Monitor regulatory developments to anticipate upcoming requirements • Strengthen compliance controls and documentation to manage regulatory risks
Technology (Short-term to long-term)		
Advancements in energy-efficient systems, digital monitoring tools and alternative materials driven by emissions reduction efforts.	• Capital expenditure required to align with updated client or regulatory specifications • Risk of reduced competitiveness if technological capabilities do not evolve with industry standards	• Assess technical specifications during project design to align with emerging standards • Prioritise cost-effective adoption of technologies where operationally and commercially viable
Market and Reputation (Short-term to long-term)		
Evolving client and investor expectations regarding environmental performance and emissions management.	• Potential shifts in tender requirements towards lower-emission or environmentally resilient solutions • Increased scrutiny from stakeholders on climate performance	• Enhance transparency in environmental reporting • Consider environmental criteria in tender submissions where relevant to client requirements

SUSTAINABILITY STATEMENT

To address climate-related risks, PIB has implemented mitigation and adaptation measures, with additional opportunities for improvement. These actions reflect the Group's current response, while the identified opportunities highlight potential enhancements that may be considered over time.

Our Energy Efficiency Initiatives

- Installation of energy-saving light emitting diode ("LED") lighting in office premises
- Planned scheduling and movement of heavy machinery to minimise fuel consumption
- Installation of motion sensors in common areas to reduce unnecessary electricity usage
- Deployment of solar-powered lighting for building perimeters and selected project sites
- Switching off lights and office equipment during non-operating hours
- Unplugging equipment when not in use to reduce standby energy consumption

Our Renewable Energy Initiatives

Installation of rooftop solar PV systems under Net Energy Metering ("NEM") 3.0:

- 114 kWp system at head office in Shah Alam
- 189 kWp system at Bukit Beruntung factory

Risk Management

The Group incorporates sustainability considerations, including climate-related risks and opportunities. Climate-related exposures are being gradually identified and evaluated alongside other operational and financial risks to assess potential impacts on project delivery, compliance and business continuity.

Management reviews identified risks through established reporting channels to support informed decision-making and oversight at the Board and committee levels.

Metrics and Targets

The Group monitors selected environmental performance indicators to support assessment of climate-related risks and opportunities and operational impacts. These metrics include greenhouse gas ("GHG") emissions, energy consumption, water usage and waste generation.

Where applicable, emissions disclosures include Scope 1 and Scope 2 emissions, with limited Scope 3 emissions relating primarily to business travel and employee commuting.

Metric	Unit	Description
GHG Emissions	tCO_2e	Quantified Scope 1, 2 and 3 (limited to business travel and employee commuting) GHG emissions
Energy Usage	GJ	Tracks total fuel and electricity consumption
Waste	MT	Measures total amount of waste generated
Water Usage	ML	Measures total water consumption

<u>Energy Consumption</u>

Energy consumption arises primarily from fuel use in company vehicles and electricity use in offices and operational facilities. The Group monitors fuel and electricity consumption to understand usage patterns and identify opportunities for efficiency improvements. Energy performance is reviewed in conjunction with emissions reporting to provide visibility over resource utilisation.

During the reporting year, total energy consumption amounted to 12,435.97 GJ, of which 83.87% was attributable to fuel usage.

Energy	FY2026
Energy consumption (GJ)	12,435.97

<u>Fuel Consumption</u>

The Group's fuel consumption encompasses both petrol and diesel used in company-owned vehicles. In FY2026, total fuel consumption amounted to 295,611.29 litres, of which 85.19% was diesel.

Fuel Consumption (Litres)	FY2026
Petrol	43,772.09
Diesel	251,839.20
Total	**295,611.29**

Electricity Consumption

Throughout the reporting year, our total electricity consumption reached 557,221.00 kWh sourced from purchased grid-supplied electricity.

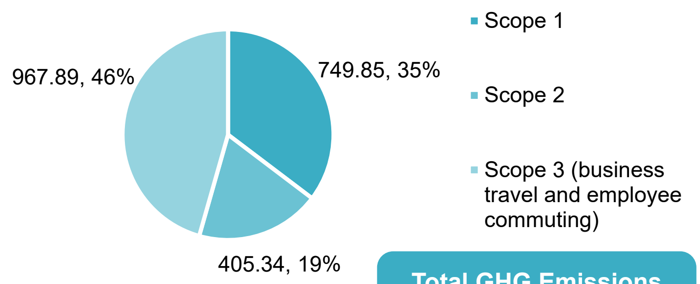
Electricity Consumption (kWh)	FY2026
Purchased electricity	557,221.00

Note:
1. Data on solar-generated electricity is unavailable due to technical limitations affecting data retrieval.

GHG Emissions

PIB operates in a regulatory environment where climate-related considerations continue to evolve. We recognise that our operational activities generate emissions and therefore monitor and report GHG emissions to improve visibility of energy use and related risks.

FY2026 GHG Emissions Breakdown (tCO_2e)



Total GHG Emissions (tCO_2e)
2,123.08

Scope 1 GHG Emissions

Scope 1 GHG emissions represent direct emissions arising from petrol and diesel use in company-owned vehicles. In FY2026, these emissions amounted to 749.85 tCO_2e.

GHG Emissions	FY2026
Scope 1 GHG Emissions (tCO_2e)	749.85

Note:
1. The calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards.
2. Scope 1 emissions factors were sourced from the UK Government's GHG Conversion Factor 2025.

Scope 2 GHG Emissions

Scope 2 GHG emissions represent indirect emissions arising from electricity consumption across our operations. The Group's Scope 2 GHG emissions from purchased electricity totalled 405.34 tCO_2e.

GHG Emissions	FY2026
Scope 2 GHG Emissions (tCO_2e)	405.34

Note:
1. The calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards.
2. Scope 2 GHG emissions data were calculated using the grid emissions factors from the National Energy Commission's Grid Emissions Factor ("GEF") Malaysia (2022-2024) and the Institute for Global Environmental Strategies ("IGES"), Ministry of Environment, Cambodia.

Scope 3 GHG Emissions

In FY2026, Scope 3 emissions totalled approximately 967.89 tCO_2e, with 96.7% attributed to employee commuting and 3.3% to business travel.

GHG Emissions		FY2026
Scope 3 GHG Emissions (tCO_2e)	Employee Commute	935.56
	Business Travel (Land)	5.38
	Business Travel (Air)	26.95
Total		**967.89**

Note:
1. The calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards.
2. Scope 3 emissions factors were sourced from the UK Government's GHG Conversion Factor 2025.

Waste Management

Effective waste management ensures regulatory compliance, optimises resource use and supports responsible infrastructure delivery. Pestech Technology Sdn. Bhd. and Pestec Sdn. Bhd. are currently certified under the ISO 14001:2015 Environmental Management System, reflecting adherence to internationally recognised environmental standards.

The Group's principal waste streams comprise scheduled waste and domestic waste. Scheduled waste arises from project execution and maintenance activities, including chemical containers, contaminated rags, and electronic waste, while domestic waste is primarily generated from office operations.

At project sites, waste management is overseen and managed by the contractor, ensuring scheduled waste is properly disposed of in compliance with regulatory requirements and safe handling and environmental protection. Across operations, PIB applies the 3R principles (Reduce, Reuse, Recycle) to minimise environmental impact, improve resource efficiency and foster a culture of environmental responsibility throughout the Group.

Water Management

Water use within the Group is primarily associated with office operations and project-specific activities, with consumption varying according to project scope and location.

We monitor water consumption across operational sites to enhance visibility, optimise resource use and identify opportunities for conservation. Operational controls are applied where required to prevent wastage and support efficient water management. These measures promote responsible water stewardship and operational efficiency across the Group.

In FY2026, total water consumption amounted to 8,616 m^3.

Water (m^3)	FY2026
Total water consumption	8,616.00

Fostering Social Responsibility

Operational delivery depends on workforce capability, safety and engagement. The Group maintains policies and practices that support employee wellbeing, fair labour standards and responsible participation with the communities in which we operate.

Material Sustainability Matters

- Labour Standards and Human Rights
- Employment
- Prevention of Child Labour
- Occupational Health and Safety
- Talent Management
- Diversity and Equal Opportunity
- Community Engagement

Key Stakeholder Groups

- Government & Regulatory Authorities
- Employees
- Local Communities

Alignment with the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Labour Standards and Human Rights

PIB respects human rights and complies with applicable labour laws in the jurisdictions where we operate. We maintain a strict policy against child labour, forced or involuntary labour, ensuring ethical practices across all operations and supply chain activities.

Our workforce is central to PIB's success, and we place a strong emphasis on building a resilient, engaged and motivated team. By prioritising job security, inclusivity, career development and employee wellbeing, we cultivate a supportive workplace that empowers our people to contribute effectively to the Group's growth.

We provide a range of statutory and supplementary benefits, including group-wide insurance coverage and leave entitlements, while supporting self-development and internal career progression. Employment practices are guided by clear policies and contractual terms that ensure fair working conditions, non-discrimination and compliance with statutory requirements. We also communicate labour expectations to our suppliers and contractors through procurement policies and contractual arrangements, promoting responsible practices throughout our supply chain.

PIB's Human Rights & Labour Policies
Human Rights Policy
No Child Labour Policy
No Illegal Foreign Labour Policy

Occupational Health and Safety

The Group manages occupational health and safety ("OHS") risks as part of project execution and operational oversight. Electrical infrastructure activities involve site-based work, equipment handling and coordination among technical teams, necessitating structured safety controls and adherence to regulatory requirements. The Group's Quality, Health, Safety and Environmental ("QHSE") Policy sets out responsibilities and safety expectations across all operational areas.

PIB's subsidiaries, Pestech Technology Sdn. Bhd. and Pestec Sdn. Bhd., are certified under ISO 45001:2018 Occupational Health and Safety Management System. This framework guides the implementation of structured risk management, preventive controls and continuous improvement in workplace safety.

Safety Risk Management

The Group prioritises the health and safety of our employees by implementing an Occupational Safety and Health ("OSH") Risk Management System designed to identify, assess and control workplace hazards across project sites and operational functions. The Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process forms part of this system, providing a structured approach to evaluating risks associated with operational and project activities.

OHS Risk Management Process
Preparation
Risk Assessment
Implementation
Record
Review

An appointed OSH Risk Management Team oversees the implementation of the HIRARC process. Risk assessments are conducted to identify hazards and evaluate them based on severity and likelihood, enabling appropriate control measures to be established. Risk assessors undergo relevant training to ensure assessments are performed in a consistent and methodical manner.

In addition to preventive risk management, the Emergency Response and Preparedness ("ERP") procedures outline actions to be taken during incidents of varying severity. Clearly defined roles and responsibilities support timely response and mitigation across project sites and operational locations.

The Quality, Health, Safety and Environment ("QHSE") Policy, ERP procedures, and HIRARC framework are applied across subsidiaries and business operations, ensuring a consistent and group-wide approach to occupational health and safety management.

OHS Performance	FY2026
Total number of hours worked	377,772
Total number of lost-time injuries	0
Total number of fatalities as a result of work-related injuries or ill health	0
Lost Time Incident Rate ("LTIR")	0.00

Note: OHS performance data for FY2026 currently covers Pestech International Berhad, Pestech Sdn. Bhd. and Pestech Technology Sdn. Bhd. Data for the remaining subsidiaries is currently not available for this reporting period due to data limitations.

Health and Safety Training Programmes

Health and safety training reinforces workplace controls and strengthens awareness across operational levels. The Group conducts briefings and structured sessions covering hazard identification, emergency response and safe work practices relevant to transmission and substation projects.

In FY2026, the Group also conducted First Aider Training to enhance emergency response capability by equipping participants with basic first aid competencies, enabling timely and effective intervention during workplace incidents.

These programmes support the Group's risk mitigation efforts and contribute to the maintenance of safe working conditions throughout FY2026.

Talent Management

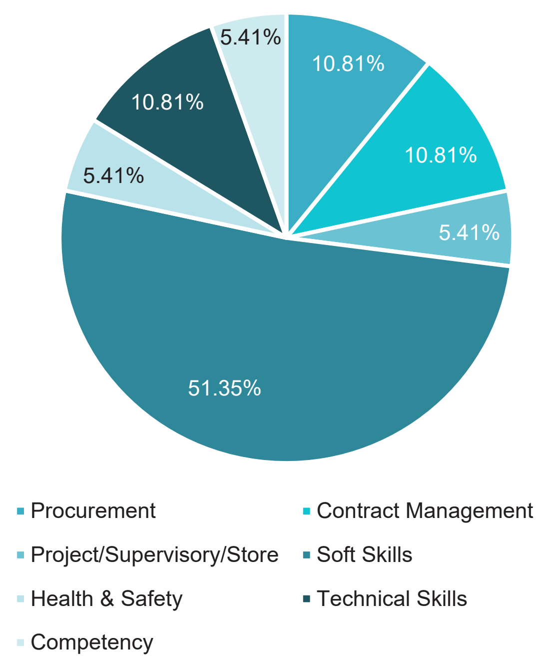
Sustained project delivery relies on strong technical competence and role-specific expertise. PIB strengthens workforce capability through targeted training initiatives aligned with operational and project requirements.

During FY2026, the Group implemented structured development programmes to enhance technical competencies, supervisory capabilities and regulatory awareness across management, executive and site personnel. Training covered key areas such as procurement, contract management and project supervision to support business performance and project execution.

Participation and completion rates are monitored to support workforce planning and ensure continued alignment with evolving business needs.

Training Delivery	Training Participation	
Total Number of Training Programmes Delivered	Total Participant Training Hours	Number of Attendees
37 programmes	**1,049.00** hours	**121** employees

Breakdown of Employee Training and Development Programmes



Total Training Hours by Gender

Average Training Hours by Employee Category

Key Training Programmes

Programme Title	Description
Fundamental Knowledge of Procurement Management	Covers the core principles of strategic procurement and its role in supporting effective procurement practices.
Contract Management Best Practices: Mitigating Risks & Maximising Value	Provides an understanding of the contract lifecycle, from drafting through execution to close-out.
Related Party Transaction ("RPT") Analysis and Management	Enhances understanding of related party transaction requirements, exemptions and compliance obligations under the Bursa Malaysia Listing Requirements.
Anti-Money Laundering ("AMLA") Reporting Obligations	Provides practical knowledge of anti-money laundering and targeted financial sanctions compliance, including customer due diligence, suspicious transaction reporting and governance responsibilities.

Compliance with Bursa Malaysia Listing Requirements	Builds understanding of regulatory reporting obligations, financial statement disclosures and the roles of key regulatory authorities.
Corporate Liability under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009	Raises awareness of corporate liability for bribery and corruption offences and organisational compliance responsibilities.
Effective Domestic Inquiry	Provides an understanding of the legal and procedural requirements for conducting domestic inquiries and managing employee misconduct in accordance with applicable employment laws.
Enterprise Resource Planning ("ERP"), Payroll, Warehouse Management System ("WMS") and Digital Process Management	Introduces integrated business systems, digital processes and International Organisation for Standardisation ("ISO") standards to improve operational efficiency.
Quality Assurance and Quality Control ("QA/QC") in Construction: Process, Records and Strategy	Strengthens knowledge of quality assurance and quality control practices in construction based on Construction Industry Development Board ("CIDB") and ISO requirements.
Site Supervisory Competency and Responsibility	Equips participants with the knowledge and practical skills to manage construction sites responsibly in compliance with applicable regulations.
E-Invoicing Implementation: A Practical Guide for Malaysian Companies	Provides practical guidance on implementing Malaysia's e-Invoicing requirements, including regulatory compliance, system integration and workflow changes.
Compliance Requirements for Business Transactions	Enhances understanding of legal, regulatory and governance requirements to support compliant business transactions and effective risk management.
National Institute of Occupational Safety and Health ("NIOSH") – Tenaga Safety Leader Passport	Promotes a safety-first culture by strengthening workplace safety leadership and occupational safety and health requirements.
Occupational Safety and Health Conference ("OSHCON") 2025: Accident Prevention	Promotes awareness of workplace accident prevention through knowledge sharing and industry best practices.
Electrical Engineering for Non-Electrical Engineers	Provides fundamental knowledge of electrical engineering principles to enhance technical competency.
Bentley Structural Analysis and Design ("STAAD") Pro Essential Training	Develops competency in the structural analysis and design of steel and concrete structures using Bentley STAAD Pro software.
Construction Work Permit for Receiving Authorised Authority ("CWP-RAA")	Outlines occupational safety and health legislative requirements relating to Construction Work Permit ("CWP") compliance.
Ergonomic Trained Person for Initial Ergonomics Risk	Equips participants with the knowledge and practical skills to conduct initial ergonomics risk assessments in the workplace.
Grid Contractor Qualified Person ("GCQP")	Enhances understanding of electrical safety rules and safe operating procedures to support safe work practices in grid maintenance and development activities.

Diversity and Equal Opportunity

<u>Workforce Diversity</u>

The Group is committed to maintaining fair, merit-based and non-discriminatory employment practices across recruitment, remuneration and workforce composition. Employment-related decisions are based on qualifications, experience and business requirements in compliance with applicable labour laws and internal policies.

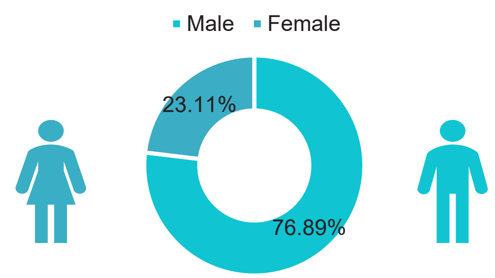
We promote equal opportunity and foster a respectful and inclusive workplace environment. Workforce diversity is represented across employee categories, nationalities, gender and age groups. The Group continues to strengthen inclusive employment practices to support a capable and sustainable workforce. Employees are provided with equal access to training and development opportunities to support career progression and professional growth.

The Group's workforce composition across gender, age, nationality and employment type is presented below.

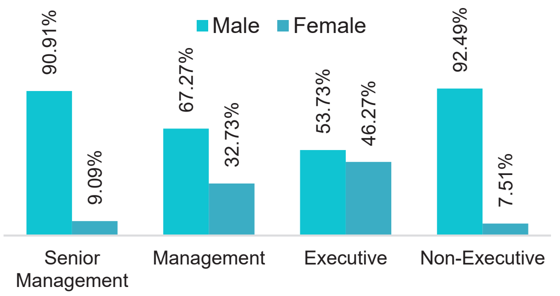
Workforce Strength in FY2026

424

Employee Gender Diversity

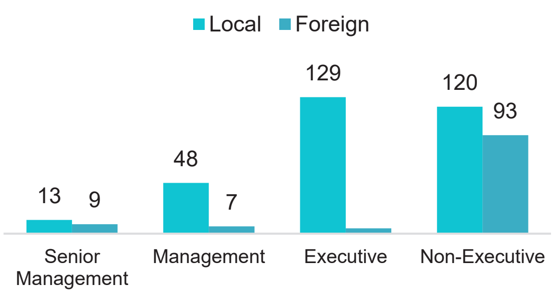


Employee Gender Diversity by Employee Category

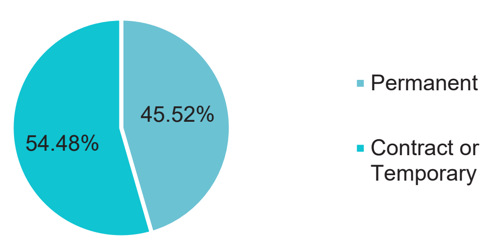


Employee Age Diversity by Employee Category

Employee Nationality by Employee Category



Workforce Composition by Employment Type

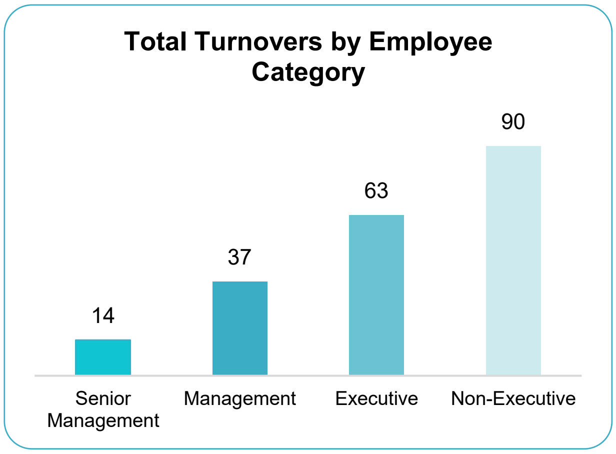


Note: Under Employee Nationality, "local" refers to employees who hold the nationality or citizenship of the country in which the reporting entity operates.

Employee Recruitment

To support operational continuity and project execution, employee recruitment is aligned with our forward-looking workforce planning and resource allocation processes. We assess business pipelines, technical requirements, and project timelines to ensure the appropriate mix of leadership, technical, and support capabilities across our operations.

During FY2026, PIB strengthened organisational capacity through targeted hiring across senior management, management, executive, and non-executive levels. Recruitment efforts were prioritised based on active project needs and strategic growth areas, enabling us to reinforce delivery capability and maintain performance standards across business units.



Community Engagement

We engage with local communities and stakeholders in the areas where we operate, including through the provision of internship opportunities for students and fresh graduates. These placements offer practical industry exposure and support skills development, contributing to workforce readiness within the communities surrounding our operations.

Our approach to Corporate Social Responsibility ("CSR") remains guided by opportunities as they arise, including the ability to host interns in line with business needs and project requirements. As our operations continue to grow, we aim to expand such opportunities where feasible, supporting the development of future talent within the local community.

Shaping a Responsible, Sustainable Growth

Sustainability forms part of how we manage our business and execute infrastructure projects across our operating markets. As the Group continues to operate in regulated and project-based environments, we recognise the responsibilities associated with delivering electrical engineering and grid infrastructure solutions.

Looking ahead, we will continue refining internal controls, improving data management and aligning disclosures with evolving regulatory requirements. We remain focused on responsible project delivery, operational discipline and accountability to stakeholders.

PESTEC INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-14_15:05:20

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Responsible Procurement	Proportion of spending on local suppliers	%	—	79.94	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of employees that have received training on anti-corruption by employee category (Senior Management)	%	—	100	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of employees that have received training on anti-corruption by employee category (Management)	%	—	100	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of employees that have received training on anti-corruption by employee category (Executive)	%	—	100	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of employees that have received training on anti-corruption by employee category (Non-Executive)	%	—	100	—	No assurance
Corporate Governance and Anti-Corruption	Confirmed incidents of corruption and action taken	Number	—	0	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of Directors by gender (Men)	%	—	66.67	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of Directors by gender (Women)	%	—	33.33	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of Directors by age (<50)	%	—	0	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of Directors by age (51-60)	%	—	50	—	No assurance
Corporate Governance and Anti-Corruption	Percentage of Directors by age (>60)	%	—	50	—	No assurance

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PESTEC INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-14_15:05:20

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	0	—	No assurance
Energy and Emissions Management	Total energy consumption	MWh	—	3,454.44	—	No assurance
Energy and Emissions Management	Scope 1 emissions in tonnes of CO2e	tCO2e	—	749.85	—	No assurance
Energy and Emissions Management	Scope 2 emissions in tonnes of CO2e	tCO2e	—	405.34	—	No assurance
Energy and Emissions Management	Scope 3 emissions in tonnes of CO2e (business travel and employee commuting)	tCO2e	—	967.89	—	No assurance
Water Consumption	Total volume of water used	Megalitres	—	8.616	—	No assurance
Occupational Health and Safety	Lost time incident rate	Rate	—	0	—	No assurance
Occupational Health and Safety	Number of work-related fatalities	Number	—	0	—	No assurance
Talent Management	Total hours of training by employee category (Senior Management)	Hours	—	88	—	No assurance
Talent Management	Total hours of training by employee category (Management)	Hours	—	319	—	No assurance
Talent Management	Total hours of training by employee category Executive)	Hours	—	442	—	No assurance
Talent Management	Total hours of training by employee category (Non-Executive)	Hours	—	70	—	No assurance

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PESTEC INTERNATIONAL BERHAD

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Date & Time: 2026-07-14_15:05:20

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Senior Management, Men)	%	—	90.91	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Senior Management, Women)	%	—	9.09	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Management, Men)	%	—	67.27	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Management, Women)	%	—	32.73	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Executive, Men)	%	—	53.73	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Executive, Women)	%	—	46.27	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Non-Executive, Men)	%	—	92.49	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by gender by employee category (Non-Executive, Women)	%	—	7.51	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Senior Management, <30)	%	—	4.55	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Senior Management, 30-50)	%	—	18.18	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Senior Management, >50)	%	—	77.27	—	No assurance

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PESTEC INTERNATIONAL BERHAD

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Management, <30)	%	—	0	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Management, 30-50)	%	—	65.45	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Management, >50)	%	—	34.55	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Executive, <30)	%	—	23.13	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Executive, 30-50)	%	—	70.15	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Executive, >50)	%	—	6.72	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Non-Executive, <30)	%	—	22.54	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Non-Executive, 30-50)	%	—	63.38	—	No assurance
Diversity and Equal Opportunity	Percentage of employees by age by employee category (Non-Executive, >50)	%	—	14.08	—	No assurance
Diversity and Equal Opportunity	Total number of employee turnover by employee category (Senior Management)	Number	—	14	—	No assurance

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PESTEC INTERNATIONAL BERHAD

BMLR Transition Period

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Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	Total number of employee turnover by employee category (Management)	Number	—	37	—	No assurance
Diversity and Equal Opportunity	Total number of employee turnover by employee category (Executive)	Number	—	63	—	No assurance
Diversity and Equal Opportunity	Total number of employee turnover by employee category (Non-Executive)	Number	—	90	—	No assurance
Diversity and Equal Opportunity	Number of substantiated complaints concerning human rights violations	Number	—	0	—	No assurance
Diversity and Equal Opportunity	Percentage of employees that are contractors or temporary staff	%	—	54.48	—	No assurance

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GRI Content Index

Statement of use	Pestec International Berhad has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	43
	2-2 Entities included in the organisation's sustainability reporting	44
	2-3 Reporting period, frequency and contact point	44-45
	2-6 Activities, value chain and other business relationships	58
	2-7 Employees	75
	2-9 Governance structure and composition	48
	2-12 Role of the highest governance body in overseeing the management of impacts	49
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	2-22 Statement on sustainable development strategy	48
	2-23 Policy commitments	60
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	2-25 Processes to remediate negative impacts	61
	2-26 Mechanisms for seeking advice and raising concerns	61
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	55
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GRI 102: Climate Change 2025	102-5 Scope 1 GHG emissions	68
	102-6 Scope 2 GHG emissions	68
	102-7 Scope 3 GHG emissions	68
GRI 103: Energy 2025	103-2 Energy consumption and self-generation within the organization	67
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	65
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	58
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	60
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	69
	303-2 Management of water discharge-related impacts	69
	303-5 Water consumption	69
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69
	306-2 Management of significant waste-related impacts	69
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	76

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	71
	403-2 Hazard identification, risk assessment, and incident investigation	71
	403-3 Occupational health services	71
	403-4 Worker participation, consultation, and communication on occupational health and safety	72
	403-5 Worker training on occupational health and safety	72
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71
	403-9 Work-related injuries	72
	403-10 Work-related ill health	72
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	73
	404-2 Programmes for upgrading employee skills and transition assistance programs	73
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	61
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	62

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") and management of PESTEC International Berhad ("PESTEC" or "Company") recognises the importance of good corporate governance and are committed towards upholding high standards of corporate governance for long-term sustainable business and corporate development, and to continuously protect and enhance shareholders' value.

The Board presents this Corporate Governance Overview Statement ("Statement") to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board for the financial year ended 31 March 2026 ("Financial Year"). The overview takes guidance from the key corporate governance principles as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board adopts and applies the principles necessary to ensure good corporate governance as set out in the MCCG and expounded in Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and shall be read together with the Corporate Governance Report ("CG Report") of the Company which provides details on how the Company has applied each practice as set out in the MCCG. The CG Report can be downloaded from the Company's website at https://pestec-international.com/

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Board of Directors
The Board is explicitly responsible for the stewardship of the Company and in discharging its obligations, the Board assumes responsibility in the following areas:

- retain full and effective control over the Company, and monitor management in implementing Board plans and strategies;
- ensure that a comprehensive system of policies and procedures is operative;
- identify and monitor non-financial aspects relevant to the business;
- ensure ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles and the Company's own governing documents and codes of conduct;
- strive to act above and beyond the minimum requirements and benchmark performance against international best practices;
- define levels of materiality, reserving specific powers to the Board and delegating other matters with the necessary written authority to management and instituting effective mechanisms that ensure Board responsibility for management performance of its functions;
- act responsibly towards the Company's relevant stakeholders; and
- be aware of, and commit to, the underlying principles of good governance and that compliance with corporate governance principle.

The Board is responsible for the performance and affairs of the Company and its subsidiaries ("the Group"). It also provides leadership and guidance for setting the strategic direction of the Group.

The Board has assigned the day-to-day affairs of the Group's businesses within the various divisions to the Management of the main operating companies, who are accountable for the conduct and performance of their businesses within the agreed business strategies.

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership function. The positions of the Chairman of the Board and the Group Managing Director are held by different persons. The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company. There is a clear division of roles and responsibilities between the Chairman and Group Managing Director to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.

The Independent Non-Executive Chairman's responsibilities include provide leadership to the Board to enable the Board to perform effectively, ensure the integrity and effectiveness of the governance process of the Board, and represent the Board in any communications with the shareholders and other stakeholders of the Company.

The Group Managing Director together with the heads of the main operating companies are involved in leadership roles overseeing the development of the day-to-day operations and management within their specific areas of expertise or assigned responsibilities. They represent the Company at the highest level and are decision makers on matters within their scope to drive the Group forward. His responsibilities also include implementing corporate strategies and policies adopted by the Board, ensuring that appropriate risk management and compliance procedures are in place, the assets of the Company are adequately maintained and protected and oversee human capital management.

Code of Ethical Conduct

The Company sets high standards of behaviour and uses those values embedded in the Code of Ethical Conduct to build substance in the Company's character, credibility and reputation that are observable through individual behaviour, individually and collectively as a team and as a company.

In serving customers and in dealing with suppliers, vendors and subcontractors, the Company strives to put their interest ahead of other personal interests in order to uphold the Company's reputation and their confidence with PESTEC. The Company is committed to provide efficient, effective and excellent products and services in an impartial manner.

Whistle-Blowing Policy

The Whistle-Blowing Policy allows the management to take appropriate preventive and corrective actions within the Company without the negative effects that come with public disclosure, such as loss of the Company's image or reputation, financial distress, loss of investor confidence or drop in value of share prices.

This Policy is designed to facilitate any persons to disclose any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include the following:-

a) Fraud;
b) Bribery, illicit and corrupt practice;
c) Abuse of Power;
d) Sexual harassment;
e) Criminal breach of trust;
f) Theft or embezzlement;
g) Misappropriation of Company's assets and property;
h) Misuse of confidential information; or
i) Acts or omissions which are deemed to be against the interests of the Company, laws, regulations or policies.

The Policy is available on the Company's website at www.pestec-international.com.

Board Charter
The Company has established and adopted a Board Charter which serves as a reference point for Board activities. In the Board Charter, the Board has established a formal schedule of matters reserved to the Board for its deliberation and decision in order to enhance the delineation of roles between the Board and Management, as well as to ensure the direction and control of the Group's operations are in the Board's hands. The Board Charter is publicly available on the Company's website at www.pestec-international.com.

Board Committees
All Board members take cognisance of their fiduciary duties and responsibilities for the overall corporate governance of PESTEC. To fulfil its roles, the Board delegates certain responsibilities to the Board Committees, operating within defined terms of reference, to assist the Board in the execution of its duties and responsibilities. These Committees report to the Board on their respective matters and make recommendations to the Board for final decision.

PESTEC's Board Committees include Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC").

Anti-Bribery and Anti-Corruption Policy
The Board has approved the Anti-Bribery and Anti-Corruption ("ABAC") Policy which applies to all directors, management, employees and contract workers of all entities in PESTEC Group. The ABAC Policy sets out PESTEC Group's guiding principle and its zero-tolerance approach against all forms of bribery and corruption, managing conflicts of interest, policy on gifts, entertainment and corporate hospitality, corporate social responsibility, donations, sponsorship and scholarships, handling facilitation payments requests, dealing with public officials, political contributions and dealing with third parties.

It is communicated to all parties with whom the Group has business dealings, and is accessible to the public via the Company's website at www.pestec-international.com.

Sustainability
PESTEC's approach to sustainability includes a focus on developing and creating sustainable energy generation for the development and construction for electrical infrastructure in service to the community all over the world, which aligns with the company's vision of being 'Consistently Dependable & Value Add as a Sustainable Electrical Infrastructure Builder'.

Recognising the need to transition to sustainable electric generation, the Board of Directors and management commit to driving change through innovation in order to reinforce sustainability in our operations and management.

The Board delegates the governance of sustainability to Group Sustainability Steering Committee ("SSC") to implement sustainability and risk management across the Group. SSC is tasked to drive the sustainability initiatives in line with the Sustainability Development Goals and Global Reporting Initiatives standards with strategic thrust from the Board based upon the following principles:-

- To observe and comply with all relevant legislations, regulations and codes of practice.
- To consider sustainability issues and integrate these considerations into our business decisions.
- To promote and ensure that all employees are aware of, and are committed to, implementing

and measuring sustainability activities by considering environmental, social and governance ("ESG") factors.
- To continuously strive to improve our sustainability performance

Company Secretaries
The Board is supported by two (2) suitably qualified and competent company secretaries who provide advisory on statutory and regulatory requirements and related governance requirements relating to the discharge of their duties and responsibilities.

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235 of the Companies Act 2016. The Board has access to the advice and services of the Company Secretaries who ensure effective functioning of the Board and compliance of applicable rules and regulations. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and is advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

Supply of Information
The Directors, whether as the entire Board or under their respective individual capacity, have full and unrestricted access to all information and documentations pertaining to the Group's business and affairs to enable them to discharge their duties effectively.

The Notice of Board Meetings is served at least seven (7) days prior to the Board Meetings and the Company endeavours to issue the agenda and board papers in sufficient time prior to board and board committee meetings (ie at least 7 days) to enable directors to appreciate the issues to be deliberated and where necessary, obtain any further explanations from Management or to consult independent advisers, if required. For matters which require the Board's decision on urgent basis outside of Board Meetings, board papers along with resolutions in writing will be circulated for the Board's consideration.

The Board is also regularly updated and advised on new regulations, guidelines or directives issued by Bursa Securities, Securities Commission and other relevant regulatory authorities.

2. BOARD COMPOSITION

Composition and Board Balance
PESTEC's Board comprises individuals with sturdy integrity fostered with extensive knowledge and experience in their respective professional backgrounds, i.e., engineering, quality, health and safety, corporate finance, accounting, information communication technology as well as banking and investment.

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Non-Executive Directors are independent from management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent judgment. This provides an effective check and balance in the functioning of the Board where all matters are reviewed with balance and fairness, to ensure the needs and interests of the Company are met.

As at the date of this statement, the Board comprises seven (7) members, of whom three (3) are Independent Non-Executive Directors. The remaining Board members comprise one (1) Non-Independent Non-Executive Director, one (1) Non-Independent Executive Director, one (1) Group

Executive Director, and one (1) Group Managing Director, together with one (1) Alternate Director to the Group Executive Director.

While the Board does not comprise a majority of Independent Non-Executive Directors as recommended under the MCCG, half of its members are independent. The presence of an Independent Non-Executive Chairman facilitates objective deliberations and discussions, thereby promoting balanced decision-making and effective oversight by the Board.

The Group practices non-discrimination in any form whether based on age, gender, ethnicity nationality, political affiliation, religious affiliation, marital status, education background or physical ability throughout the organisation and this includes the selection of Board members. The evaluation of the suitability of candidates as the new Board member is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company. As at the date of this statement, the Company has three (3) women directors and has achieved the requirement of 30% women directors on the Board.

Board Meetings

The Board meets at least once in every quarter and additional meetings are convened as and when necessary. There were 6 Board meetings held during the Financial Year and the attendance record of the Directors is as follows:

Directors	Number of meetings	
	Held	Attended
Tan Sri Dato' Seri Mohd Zuki Bin Ali (Chairman)	6	5
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai (Group Executive Director) (Alternate Director: Mr Haymandhra Pillai Subramaniam Pillai – Appointed on 25 May 2026)	6	6
Datuk Mohamed Razeek Bin Md Hussain Maricar (Group Managing Director)	6	6
Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025)	5	5
Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)	5	5
Puan Masnizam Binti Hisham (Appointed on 9 July 2025)	4	4
Puan Nazeera Binti Alias (Appointed on 23 July 2026)	-	-
Dato' Harjit Singh A/L Gurdev Singh (Resigned on 19 June 2025)	2	2
Mr. Lim Ah Hock (Resigned on 27 August 2025)	4	3
Mr. Lim Pay Chuan (Resigned on 27 August 2025)	4	4
Ms. Helen Tan Miang Kieng (Retired on 4 September 2025)	4	3

All proceedings of the Board meetings are duly minuted and signed off by the Chairman of the meeting. Save for Puan Nazeera Binti Alias, who was appointed on 23 July 2026, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR.

Each Board member is expected to commit sufficient time to carry out his/her role as Director and/or member of the Board Committees which they are part of. While it is impossible to be specific about the actual or maximum time commitment, all Directors are expected to devote such time as is necessary to attend all Board and committee meetings, AGM/Extraordinary General Meeting ("EGM"), Directors' training, Company's events, meetings with various stakeholders and site visits.

Annual Assessment of Independence of Directors

The Board, with the assistance of the NC, is required to review the independence of the Company's Independent Non-Executive Directors on an annual basis. The Board adopts the definition of an 'Independent Director' as provided by the MMLR, and such definition is used as criteria for Directors' independence assessment, which has been carried out at the date of this Statement.

Practice 5.3 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, an Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director or the Board to seek annual shareholders' approval with justification through a two-tier voting process if the Board intends to retain an Independent Non-Executive Director who is beyond nine (9) years' term. The Company does not have any Independent Non-Executive Director who has served more than nine (9) years as at the date of this Statement.

Board Diversity

The Company has adopted a Board Diversity Policy, which sets out the approach to diversity on the Board of Directors and the Senior Management level.

In approaching towards diversity on the Board of Directors, the Board does not discriminate on the basis of age, gender, ethnicity, nationality, political affiliation, religious affiliation, marital status, education background or physical ability nor does it have any in its process to recruit or retain its members or Senior Management. The Board Diversity Policy does not set any specific target on the composition in terms of gender, age or ethnic of its Board members or members of Senior Management. However, the Board is well represented by individuals drawn from distinctly diverse professional backgrounds who have distinguished themselves in the engineering, quality, corporate finance, accounting, legal, banking and investment. The Board is, thus, capable of manoeuvring the strategic direction of PESTEC by taking into account inputs from various perspectives and gather ideas from different expertise.

Directors' Training

As at the date of this statement, save for Puan Nazeera Binti Alias, who was appointed on 23 July 2026, all Directors have attended the Mandatory Accreditation Program ("MAP") as prescribed by the MMLR of Bursa Securities.

The Board members attended the following training programs and seminars to further broaden their perspective, skills, knowledge and to keep abreast with the relevant changes in pertinent rules, guidelines and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the Financial Year, the continuous education programmes attended by Directors comprise the following:-

Name	Training	Date
Tan Sri Dato' Seri Mohd Zuki Bin Ali	Mandatory Accreditation Programme Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	23 & 24 April 2025 18 & 19 May 2026
	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Datuk Mohamed Razeek Bin Md Hussain Maricar	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Dato' Wee Yiaw Hin @ Ong Yiaw Hin	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Roza Shahnaz Binti Omar	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Puan Masnizam Binti Hisham	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
	Mandatory Accreditation Programme	27 & 28 October 2025

Mr Haymandhra Pillai Subramaniam Pillai	Mandatory Accreditation Programme	4 & 5 March 2026
	Compliance with Listing Requirements Reporting of Financial Statements by CKM Advisory	29 January 2026
	Liability Korporat dibawah Seksyen 17A Akta Suruhanjaya Pencegahan rasuah Malaysia 2009 by SPRM Selangor	10 February 2026
Puan Nazeera Binti Alias (Appointed on 23 July 2026)	-	-

Puan Nazeera Binti Alias did not attend any training during the Financial Year, as she was appointed to the Board on 23 July 2026. The Directors will continue to participate in future training programs and seminars from time to time as necessary to enable them to discharge their duties and responsibilities more effectively.

Nomination Committee ("NC")

As of the date of this statement, the NC comprises three (3) members, majority of them are Independent Director and all of them are Non-Executive Directors as follows:

Designation	**Name**
Chairman	Puan Nazeera Binti Alias (Appointed on 23 July 2026)
Members	Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025) Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed as Chairman of the NC on 30 April 2025 and subsequently redesignated as a member of the NC on 23 July 2026)

The NC is entrusted to be responsible for the identification and recommendation of new appointments of Executive and Non-Executive Directors to the Board. The capabilities and qualities of the candidates to be appointed as Board members as well as Board Committee members will be assessed accordingly taking into account the individual's skills, competencies, knowledge, experience, expertise, professionalism and integrity. The roles and responsibilities of the NC are set out in the NC's Term of Reference which is publicly available on the Company's website at www.pestec-international.com.

The NC may refer to recommendations by the existing Board members, management or major shareholders, senior management, consultant or advisers and independent sources such as Directors' registry, open advertisements or independent search firms for potential candidates, if necessary.

The NC meets as and when is required. For the Financial Year, the NC conducted 4 meetings and carried out the following activities:-

- reviewed the proposed appointment of Independent Non Executive Directors;
- reviewed the Terms of Reference of NC;
- reviewed the appointment of President of the Company;
- reviewed the appointment of Group Chief Financial Officer;
- reviewed the renewal of terms of office of the directors;
- reviewed the effectiveness of the Audit Committee;
- conducted assessment on independence for the independent directors; and
- reviewed and recommended on the election and/or re-election of directors who would be retiring at the upcoming Annual General Meeting.

The NC undertakes an annual assessment of Independent Directors to assess whether they continue to bring independent and objective judgement to Board deliberations. The Board would undertake peer and self-assessment to determine the effectiveness of the Board, Board Committees and each individual Director. The results, in particular the key strengths and weaknesses identified from the assessment, will be shared with the Board to allow improvements to be undertaken.

The NC undertook an annual review of the performance of each Director through self-assessment exercise and upon completion of the review and assessment, the NC submits its comments and recommendations to the Board for consideration. The NC had also taken into consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking for re-election at the 15th AGM and assessed whether the Directors are 'fit and proper' under the Fit and Proper Policy.

The following Directors are subject to retirement pursuant to the Company's Constitution at the forthcoming 15th AGM:

a) Tan Sri Dato' Seri Mohd Zuki Bin Ali (Clause 118)
b) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (Clause 118)
c) Puan Nazeera Binti Alias (Clause 117)

The aforesaid retiring Directors have expressed their intention to seek re-election at the forthcoming 15th AGM.

Each of the Directors standing for re-election had undergone performance evaluation and provided his/her annual declaration on his/her fitness and probity to continue acting as Directors in accordance with the Fit and Proper Policy of the Company, as well as confirmation of their independence.

The NC had reviewed the results of the fitness and propriety assessments of the aforesaid retiring Directors. The Board, on the recommendation of the NC, supports the re-election of the aforesaid retiring Directors. The composition, authority as well as the duties and responsibilities of the NC are set out in its TOR which is available on the Company's website at www.pestec-international.com

Remuneration Committee ("RC")
As at the date of this statement, the RC comprises three (3) members, majority of them are Independent Director and all of them are Non-Executive Directors as follows:

Designation	Name
Chairperson	Puan Nazeera Binti Alias (Appointed on 23 July 2026)
Members	Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025) Puan Roza Shahnaz Binti Omar (Appointed as Chairman of RC on 30 April 2025; redesignated to member of RC on 9 July 2025)

The Board has adopted a Remuneration Policy for Directors and Senior Management, which is clear and transparent, designed to support and drive business strategy and long-term objectives of PESTEC.

The Board determines the level of remuneration paid to Directors within the limitations imposed by the shareholders. The levels and make-up of the remuneration are designed to be such that it is sufficient to attract and retain experienced and knowledgeable Board members needed to run the Group successfully in order to deliver long-term value to its shareholders.

The remuneration of the Executive Directors is structured at such that it is linked to the corporate and individual performance. The Non-Executive Directors will receive remuneration packages which reflect the relevant experience, expertise and level of responsibilities undertaken by the respective Non-Executive Director.

The Board as a whole determines the remuneration of Non-Executive Directors, and each individual Director will abstain from the Board's deliberation and decision on his own remuneration.

The RC shall meet as and when required, at least once a year. For the Financial Year, the RC conducted 3 meetings and carried out the following activities:-

- Reviewed and recommended the directors' fee and benefits payable to Directors;
- Reviewed and recommended the Remuneration packages of the Executive Directors, President and Group Chief Financial Officer;

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The individual directors' remuneration paid/payable for the Financial Year on a Company and Group basis are set out below:

THE COMPANY

Directors	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
Tan Sri Dato' Seri Mohd Zuki Bin Ali	120,000	12,000	-	-	-	-	132,000
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai	-	-	-	-	-	-	-
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	90,000	-	4,269.60	-	94,269.60
Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025)	71,166.67	31,500	-	-	-	-	102,666.67
Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)	63,166.67	27,000	-	-	-	-	90,166.67
Puan Masnizam Binti Hisham (Appointed on 9 July 2025)	50,609.70	19,500	-	-	-	-	70,109.70
Puan Nazeera Binti Alias (Appointed on 23 July 2026)	-	-	-	-	-	-	-
Dato' Harjit Singh A/L Gurdev Singh (Resigned on 19 June 2025)	-	-	-	-	-	-	-
Mr. Lim Ah Hock (Resigned on 27 August 2025)	42,580.64	4,000	-	-	-	-	46,580.64
Mr. Lim Pay Chuan (Resigned on 27 August 2025)	-	-	298,500	-	39,153.15	-	337,653.15
Ms. Helen Tan Miang Kieng (Retired on 4 September 2025)	25,666.67	20,000	-	-	-	-	45,666.67
TOTAL	**373,190.35**	**114,000**	**388,500**	-	**43,422.75**	**-**	**919,113.10**

THE GROUP

Directors	Fees (RM)	Allowance (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
Tan Sri Dato' Seri Mohd Zuki Bin Ali	120,000	12,000	-	-	-	-	132,000
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	-	-	-	-	-	-
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	90,000	-	4,269.60	-	94,269.60
Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025)	71,166.67	31,500	-	-	-	-	102,666.67
Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)	63,166.67	27,000	-	-	-	-	90,166.67
Puan Masnizam Binti Hisham (Appointed on 9 July 2025)	50,609.70	19,500	-	-	-	-	70,109.70
Puan Nazeera Binti Alias (Appointed on 23 July 2025)	-	-	-	-	-	-	-
Dato' Harjit Singh A/L Gurdev Singh (Resigned on 19 June 2025)	-	-	-	-	-	-	-
Mr. Lim Ah Hock (Resigned on 27 August 2025)	42,580.64	4,000	-	-	-	-	46,580.64
Mr. Lim Pay Chuan (Resigned on 27 August 2025)	-	-	298,500	-	39,153.15	-	337,653.15
Ms. Helen Tan Miang Kieng (Retired on 4 September 2025)	25,666.67	20,000	-	-	-	-	45,666.67
TOTAL	**373,190.35**	**114,000**	**388,500**	-	**43,422.75**	**-**	**919,113.10**

The numbers of key senior management on an aggregated basis on RM50,000 bands is as follow :-

Range (RM)*	Number of Key Senior Management
100,001 – 150,000	2
150,001 – 200,000	-
200,001 – 250,000	1
250,001 – 300,000	1
300,001 – 350,000	-
350,001 – 400,000	-
400,001 – 450,000	-
450,001 – 500,000	-
500,001 – 550,000	1

The Board is of the opinion that the disclosure on the remuneration of the Key Senior Management on named basis would not be in the best interest of the Group due to confidentiality and personal security concern. The Board will ensure that the remuneration of the Key Senior Management is commensurate with their duties and responsibilities, the performance of the Company and on par with the market payouts.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

3. AUDIT COMMITTEE ("AC")

As at the date of this statement, the AC comprises three (3) members, majority of them are Independent Director and all of them are Non-Executive Directors as follows:

Designation	Name	Directorate
Chairperson	Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025)	Independent Non-Executive Director
Members	Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)	Non-Independent Non-Executive Director
	Puan Nazeera Binti Alias (Appointed on 23 July 2026)	Independent Non-Executive Director

The members of the AC possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities in accordance to the AC's term of reference, which are available on the Company's website. The details of activities carried out by the AC during the Financial Year are set out in the AC Report of this Annual Report.

Financial Reporting
The Board is committed to ensure that the financial statements are prepared and presented in a balanced and fair manner in accordance with the Companies Act 2016 and the applicable approved accounting standards in Malaysia in order to accurately reflect the Group's financial position and prospects.

The Group also releases unaudited quarterly financial results on a timely basis in addition to the Annual Report. These quarterly financial results are accessible via Bursa Securities and PESTEC's website at www.pestec-international.com

Internal Control
The Board has the fiduciary responsibility for maintaining a sound system of internal controls, which provides a reasonable and sound assessment of the effectiveness and adequacy of the Group's internal controls, operations and compliance with rules and regulations. This is to ensure shareholders' investments, customers' interests and the Group's assets are well safeguarded.

The AC periodically reviews the effectiveness of the Group's internal control systems and works closely with the Internal Auditors to review audit recommendations and management's responses towards these recommendations.

4. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management Framework
The Board regards risk management and internal controls as an integral part of the overall management processes. The Board has established an Enterprise Risk Management ("ERM") framework to identify and manage significant risks faced in the Group's operations.

The Board acknowledges their overall and ultimate responsibility for overseeing the Group's risk management and internal control systems ("RMIC Systems") as well as reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. The RMIC Systems cover, inter alia, the financial, operational and compliance controls of the Group. However, the RMIC Systems provide reasonable but not absolute assurance against material misstatement, loss and fraud that may hinder the Group from achieving its business objectives.

The Group's risk management functions are combined with sustainability and both are under the purview of the Group Sustainability and Risk Management Committee. The governance structure established for implementing the Group's RMIC Systems and further details are stated in the Statement of Risk Management and Internal Control as set out in the Annual Report.

Internal Audit Function
The Board outsourced the internal audit function to Axcelasia Sdn. Bhd. ("Axcelasia"). The Internal Audit function reports directly to the AC on the adequacy and effectiveness of the system of internal controls in the operating units and the extent of compliance to the established processes, policies and procedures and applicable laws and regulations. The internal audit carried out by internal audit function is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

The person in charge is Mr. David Low Tak Wei ("Mr. David Low"), an Executive Director of Axcelasia. Mr. David Low is a Certified Internal Auditor (CIA), a Professional Member of the Institute of Internal Auditors of Malaysia, the CMIIA; a fellow member of the Association of the Chartered Certified Accountants (UK), FCCA; a Chartered Accountant, a member of the Malaysian Institute of Accountants (MIA); and Associate Member of the Association of Certified Fraud Examiners; and a Certified Lead Assessor of ISO 37001:2016 ABMS.

The Audit Committee also received assurance from Axcelasia that all assigned internal audit engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement.

The AC reviewed the Internal Audit Reports presented by Axcelasia during the AC meeting. The Internal Audit Function has adopted a risk-based approach and prepared its audit strategy and plan based on the risk profiles of the major business functions of the Group, and in accordance with the internal audit plan approved by the AC.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

5. COMMUNICATION WITH STAKEHOLDERS

The Board has formalised a Corporate Disclosure Policy aimed to assist the Board in furnishing information which is comprehensive and accurate and is made on a timely basis without any bias to selective disclosure.

The Company's corporate website at www.pestec-international.com serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to- date information on the Group's activities, financial results, major strategic development and other matters affecting stakeholders' interests.

The Board has earmarked a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, terms of reference, policies and the Company's Annual Report may be accessed.

6. CONDUCT OF GENERAL MEETINGS

Annual General Meeting ("AGM")
The AGM is the principal forum for dialogue and interaction with shareholders. It provides the opportunity for shareholders to raise questions relating to the proposed resolutions as well as the Group's business operations and affairs. The Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved. Notice of the 14th AGM was issued to shareholders on 3 August 2025, being more than 28 days in advance of the scheduled AGM which was held on 4 September 2025. All Directors were physically present at the 14th AGM of the Company.

The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

The Board encourages shareholders' active participation at the Company's AGM and endeavours to ensure all Board members, the Key Senior Management and the Company's External Auditors are in attendance to respond to shareholders' queries. Where it is not possible to provide immediate answers to shareholders' queries, the Board will undertake to provide the answers after the AGM.

All questions raised by the shareholders were addressed during the 14th AGM. Subsequent to the 14th AGM, these Questions and Answers, which also formed part of the minutes of 14th AGM, were published on the Company's corporate website.

The minutes of the 14th AGM detailing the meeting proceedings, including issues and concerns raised by shareholders and responses from the Company, was published on the Company's corporate website within 30 business days after the conclusion of the 14th AGM.

Poll Voting
All the resolutions set out in the Notice of Fourteenth AGM ("14th AGM") were put to vote by poll voting and duly passed. The shareholders were informed of their rights to demand for a poll. The outcome of the 14th AGM was announced to Bursa Securities on the same meeting day. The Company had appointed a scrutineer to verify the poll results. Minutes of the 14th AGM has been published on the Company's website within 30 business days after the 14th AGM upon being reviewed by the Board members and approved by the Chairman.

Dialogue between the Company and Shareholders/Investors
PESTEC believes that having effective and productive communication with its shareholders and investors is essential in ensuring good corporate governance and to improve disclosure and transparency.

Dissemination of information to PESTEC's shareholders, investors and the public is executed through timely announcements and disclosure via Bursa's wesbite, press releases, press conferences and media/ analyst briefings. PESTEC also maintains its own website at www.pestec-international.com to enable easy and convenient access to up-to-date information pertaining to the Group.

Key Focus Areas and Future Priorities
The Board will continue to strengthen the Company's existing corporate governance framework, policies and practices to safeguard the interest of all stakeholders and the Management seeks to enhance and improve the implementation of governance for the Group.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") is pleased to present the Audit Committee ("AC") Report for the financial year ended 31 March 2026 ("Financial Year").

Composition
As of the date of this AC Report, the members of the AC of PESTEC International Berhad ("PESTEC") comprised the following Directors:-
Chairperson : Puan Roza Shahnaz Binti Omar, *Independent Non-Executive Director*
Member : Dato' Wee Yiaw Hin @ Ong Yiaw Hin, *Non-Independent Non-Executive Director*
Puan Nazeera Binti Alias, *Independent Non-Executive Director (appointed on 23 July 2026)**

Note:-
*Member of the Malaysia Institute of Accountants ("MIA")

The profile of the AC members can be found in the Profile of Directors of this Annual Report.

The AC also meets the MMLR which requires at least one member of the committee must fulfill the financial expertise requisite of Paragraph 15.09(c) of the MMLR of Bursa Securities.

All AC members are financially literate with diverse backgrounds, experience, and knowledge. None of the members were former key audit partners of the Company's existing External Auditors.

Meetings
The number of AC meetings held during the Financial Year, and details of the attendance of each committee member are as follows: -

Name of AC member	Number of meetings	
	Held	Attended
Ms. Helen Tan Miang Kieng *(Resigned on 4 September 2025)*	4	2
Dato' Harjit Singh A/L Gurdev Singh *(Resigned on 19 June 2025)*	1	1
Puan Roza Shahnaz Binti Omar *(Appointed on 30 April 2025)*	6	6
Dato' Wee Yiaw Hin @ Ong Yiaw Hin *(Appointed on 30 April 2025)*	6	6
Puan Masnizam Binti Hisham *(Appointed on 9 July 2025)*	5	5
Puan Nazeera Binti Alias (Appointed on 23 July 2026)	-	-

The Managing Director, Executive Director, Chief Financial Officer, External Auditors and Internal Auditors and relevant personnel from Management were invited to attend AC meetings to present their reports and provide updates and developments on issues arising from the audit reports. The AC Chairman thereafter reported the AC's recommendation to the Board for their consideration. He also updated the Board on significant matters discussed during the AC meetings.

Meeting agenda and materials were distributed to the AC members in advance to ensure that sufficient time is provided for them to persue the relevant material in order to facilitate their deliberation and decision-making process in the scheduled meetings.

Discussion and deliberation at the AC meetings were recorded in the minutes of the AC meetings. Minutes of the AC meetings are tabled to the Board after they are confirmed at each subsequent AC meeting.

Summary of Work of the AC during the Financial Year

The works carried out by the AC for the Financial Year are summarised as follows: -

Financial reporting

a. Reviewed the Group's quarterly financial results and annual audited financial statements for the Financial Year 31 March 2026. This included:
   - Examining significant audit and accounting matters highlighted such as provisions, critical accounting judgements, and the impact of new accounting standards. Deliberating with Management to ensure compliance with Malaysian Financial Reporting Standards ("MFRS"), Companies Act 2016 and other legal and regulatory requirements; whichever applicable.
   - Assessing all related party transactions ("RPT"), including the recurrent RPT in accordance with the Group's policies.
   - Reviewed the annual financial statements, interim financial results and the announcements pertaining thereto before recommending to the Board for release to Bursa Malaysia Securities Berhad.
   - Reviewed other pertinent issues of the Group which has significant impact on the results of the Group and the statutory audits

b. Overall Governance, Regulatory and Other Updates
   - Reviewed the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's business.

External Auditors

a. Reviewed the external auditor's report on the progress of the audit including audit and accounting matters, internal control recommendations and status of closure.
b. Reviewed the statutory audit services, audit related and other services provided by the external auditors, and the non-audit services provided by the member firms of the external auditors, and their corresponding fees.
c. Reviewed the proposal for the appointment of external auditors and recommended the appointment of Messrs. Nexia SSY PLT, Chartered Accountants, as the Company's external auditors for the financial year ended 31 March 2026.
d. Reviewed the independence, quality, reputation and effectiveness of the external auditors and recommended the re-appointment of External Auditors;

Internal Audit

The Company has outsourced its internal audit function to Axcelasia Sdn. Bhd., an independent professional services firm, to assist the AC in discharging its duties and responsibilities more effectively.

The total cost incurred for the internal audit function in respect of the Financial Year Ended 31 March 2026 was RM52,125.69.

During the Financial Year Ended 31 March 2026, the AC reviewed and discussed with the Internal Auditors, on their reports which covered the internal control review as follows:-

a. Data Privacy and Security;
b. Third Party IT Vendor Management;
c. User and Information Access Management;
d. Compliance with Regulations;
e. IT System and Data Security Protection Practices and Policies;
f. Data Breach Response Plan and Procedures;
g. Follow-up reviews on Human Resources Management, Anti-Bribery Management System and Sustainability Management.

The AC reviewed and approved the Internal Audit Plan for the financial year ended 31 March 2026 and monitored the progress of the approved audit programme throughout the financial year.

The AC also reviewed the significant audit findings and recommendations to improve any weakness or non-compliance, and the respective Management's responses thereto during the meetings.

At the AC meeting held on 27 November 2025, the AC assessed the effectiveness of the Internal Auditors, and is satisfied with the Internal Auditors' performance.

Recurrent Related Party Transactions ("RRPTs") and conflict of interest ("COI") situations
The AC reviewed the RRPTs of the Group on quarterly basis, and as and when the need arises to determine if the transactions entered into by the Group were within the shareholders' mandate, in relation to the nature, terms and value limits of the transactions, including "arm's lengths" terms of trade as well as the Group's methodology in identifying, monitoring and disclosure of related party transactions within the Group. The AC also reviewed any COI situations as and when this is highlighted to the AC.

Risk Management
The AC reviewed the Group risk reports on a half-yearly basis to ensure that the risk management activities of risk identification, assessment, action plans and monitoring of key risks are implemented throughout the organization and the effectiveness of the risk management framework and internal control system of the Group, where applicable.

Others
The AC reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control, Corporate Governance Overview Statements and Corporate Governance Report prior to recommendation for Board's approval for inclusion in the 2026 annual report.

Internal Audit Function
The AC takes cognizance that an independent and adequately resourced internal audit function is critical in ensuring the effectiveness of the Group's system of internal controls. The Internal Auditors report directly to the AC in its effort to maintain a sound system of internal control. The Internal Auditors are guided by its Audit Charter in its independent appraisal functions.

The main objectives of the internal audit function for the Group are to assess whether the procedures, systems and controls of the key business processes are adequate and effective to meet the requirements of compliance with relevant laws, regulations, policies and procedures, reliability and integrity of information and safeguarding of assets.
During the Financial Year Ended 31 March 2026, the Internal Auditors had performed internal control reviews based on the agreed internal audit plan. The outcome of those internal control reviews that were reported to the AC includes identification of risk and impact of any issues noted

during the audit, Management's responses and agreed action plans to resolve them. The AC also reviewed internal audit reports issued by the Internal Auditors and the effectiveness and adequacy of the corrective actions taken by Management on all major matters raised.

The AC recognizes the need to continuously enhance corporate governance, sustainability, and risk management.

The authority as well as the duties and responsibilities of the AC are set out in the Terms of Reference of the AC which are available on the Company's website at www.pestec-international.com

This AC Report is approved by the Board on 23 July 2026.

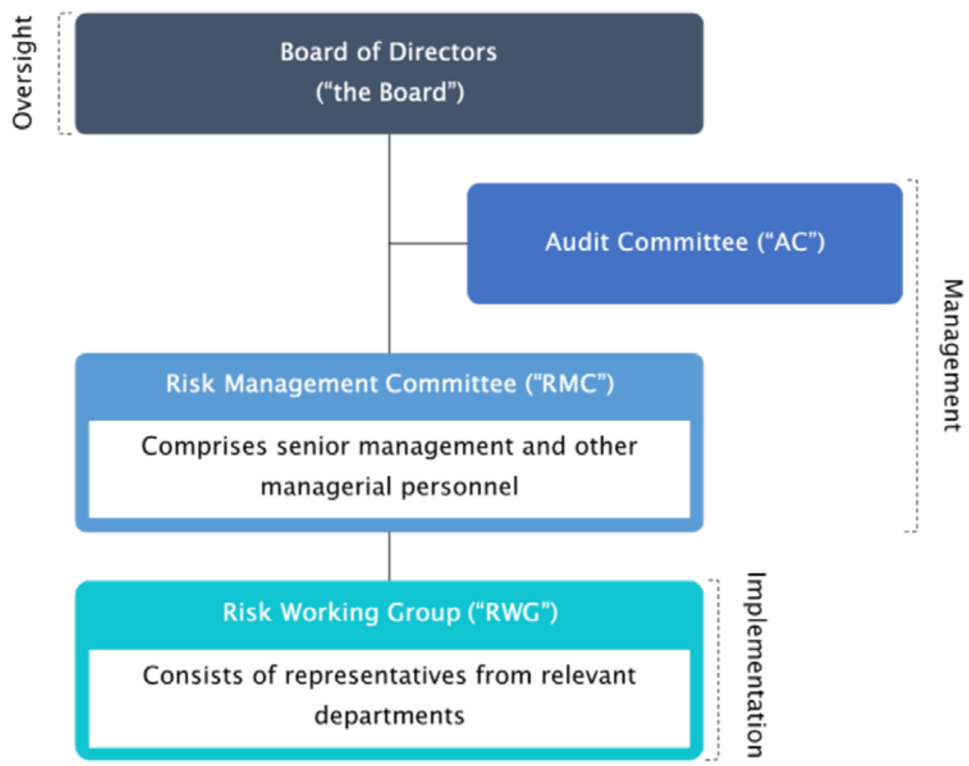
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**the Board**") is pleased to present the statement on risk management and internal control pursuant to Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MMLR**"), which is made in line with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**") issued by Bursa Malaysia Securities Berhad. This Statement outlines the nature and scope of the risk management and internal controls of the Group during the financial year under review until the date of this Statement.

Board's Responsibility
The Board acknowledges their overall responsibility for overseeing the Group's risk management and internal control systems ("**RMIC Systems**") as well as reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. The RMIC Systems cover, inter alia, the financial, operational and compliance controls of the Group. However, the RMIC Systems provide reasonable but not absolute assurance against material misstatement, loss and fraud that may hinder the Group from achieving its business objectives.

During the financial period ended 31 March 2026, the Risk Management Committee ("**RMC**") continued to report to the Audit Committee ("**AC**") and Board in reviewing the adequacy, integrity and effectiveness of the RMIC Systems. In light of the evolving global economic landscape, geopolitical uncertainties, technological advancements and increasing regulatory expectations, the Group remained vigilant in identifying, assessing and managing emerging risks to enhance organizational resilience. The governance structure established for implementing the Group's RMIC Systems remains in place as follows:-

PIB's Risk Management Governance Structure



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The AC is also assisted by an outsourced Internal Auditor who carry out its functions independently with a risk-based approach and provides assessments as whether risks are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal controls framework and facilitates enhancement, where appropriate.

Risk Management Framework
Effective risk management is an essential part of good corporate governance that forms part of the Company's business management practice. The Group is highly committed in ensuring that it has an effective and efficient risk management framework to allow the Group to be able to identify, evaluate, monitor and manage those risks. This will assist the Group immensely in its quest to achieve its targeted business objectives within the defined and acceptable risk parameters.

The Risk Management framework ensures that pertinent roles, responsibilities and accountabilities on risk management are clearly defined and communicated at all levels.

The Risk Management Framework covers the six (6) key elements as below such that any key risk or significant control weaknesses could be identified, assessed, reported, monitored and duly rectified timely and effectively:-

The Risk Management focuses on management of business risks which are segregated into the following segments:-

TYPES OF RISKS	ACCOUNTABILITIES
Strategic Business Risk	The Board is responsible for overseeing strategic risks that may affect the Group's long-term objectives, business model, market position and stakeholders' value.
Operational Risk	Management is responsible for identifying, evaluating and managing operational risks relating to the Group's day-to-day operations, processes, systems, people and overall performance.
Project Risk	Management is responsible for managing project-specific risks to ensure projects are delivered on time, within budget, to the required quality and in compliance with applicable requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The AC noted the updated summary of strategic business, operational, and project risks identified during the financial period ended 31 March 2025. :-

a) Strategic Business Risk

The Group continues to assess strategic business risks from four key aspects: (1) market, (2) financial, (3) reputational and (4) legal.

1) **Market risks** under review include market change risks, market pricing risks and fluctuation in commodity prices risks. The group maintain its strategy to venture into new market for better profit margin, with consideration of the price competitiveness and other barriers i.e. local government preference to maintain local content. We also have identified key risks in commodity and inflationary risks that we need to focus on. The Group will also be more open in fostering partnership and alliance with suppliers to ensure stable pricing throughout the project cycle.

2) **Financial** –The Group continued to monitor and consider risks associated with liquidity, interest rate and gearing in the course of our operation. In mitigation, the Company has been constantly monitoring the cost and collection, and entered into hedging contracts to manage the relevant risks. In order to ensure the Group strengthened our balance sheets during the rising inflationary environment, the relevant teams have been proactively negotiating better terms with our suppliers and also become more selective on the type of projects to undertake.

3) **Reputation risks** being assessed including employee misconduct risks such as fraud, harassment, or data breaches, that can seriously harm organizations. We regard the Group brand reputation may be affected and have negative public perception during the reporting period.

4) **Legal** –The Group has assessed regulatory compliance practice risks – Anti-Bribery and Anti- Corruption ("ABAC") and regulatory compliance practice risks– recurrent related party transaction. The Group endeavor to ensure all directors and employees to be trained and informed with the company policy, guidelines and procedures.

b) Operational Risk

In operational risks, the Group emphasizes on minimizing risks related to cybersecurity, environmental concerns, and occupational health and safety. The Group implemented antivirus and defender systems to minimize malware risks. Additionally, the Group conducts frequent toolbox briefings and impromptu audits to ensure the employees are following the rules and regulation.

c) Project Risk

Project risks that are being monitored are those associated with cost, project completion deadline, variation orders, prolonged project duration, extension of time and etc. In mitigation, a pre-tender risk review has been rollout to review various criteria such as contract value, gross margin, liquidated damages and others prior to participation of tender and submission of proposal.

Risk Awareness Culture

We believe cultivation of risk awareness culture, with emphasis on strong corporate governance, organisational structure with clearly defined roles and responsibilities, effective communication and training, commitment to compliance with laws, regulations and internal controls, integrity in fiduciary responsibilities and clear policies, procedures and guidelines within the organisation helps in arriving to strategic decisions that are vital for the long-term benefits of the organisation, shareholders, employees and all stakeholders.

Risk Assessment
The day-to-day risk management resides with the respective divisions and departments.

The Risk Owners (Head of Divisions) are directly responsible for the day-to-day operations of their respective divisions and departments. They identify, assess and implement action plans to address risks arising from their operations.

The Risk Coordinators will compile information received from the respective divisions/departments and table the same to the Sustainability and Risk Management Committee ("**SRMC**") for review, consideration and monitoring. The deliberations of SRMC will be tabled to the AC and Board thereafter.

During the financial period under review, all Risk Registers submitted by the various divisions/departments were collated and summarised by the Risk Coordinators and tabled to the SRMC, which in-turn is summarized and presented to the AC and Board.

INTERNAL CONTROL SYSTEM
The main components of the Group's internal control system are summarised as follows:-

1) **Control Environment**
The importance of a proper control environment is emphasised throughout the organisation. The focus of which is accentuated towards elevating the quality and capability of the employees of the Group. This is done by means of continuous education and training, which may be organised from time to time on need basis, both on technical hard skill sets and soft skill sets such as risk management, professionalism and integrity.

2) **Control Structure**
The Board and Management have established an organisation structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of the Board committees and various management levels, including authorisation levels for all aspects of the business.

The key elements of the Group's internal control structure cover series of documented Policy and Procedures ("PnP") to govern the Group's key business processes. These policies and procedures deal with, amongst others, anti-bribery and anti-corruption, whistleblowing, control issues for procurement, information technology, health and safety, human capital, safeguarding of assets, and communication with stakeholders. These PnP are being revamped/reviewed from time to time to meet the changing business/operational requirements as well as to further tighten our internal control processes and procedures.

3) **Internal Audit**
The Group has outsourced its internal audit function to Axcelasia Sdn. Bhd. ("**Axcelasia**" or "**Internal Auditors**"), an independent professional service provider which provides internal audit services independently with risk-based approach for the Group.

Any significant control lapses and/or deficiencies noted from the reviews will be documented and communicated to Management for review and corrective actions. The Internal Auditors report to the AC on all significant non-compliance, internal control weaknesses and actions taken by Management to resolve the audit issues identified.

The Internal Auditors are responsible for planning, implementing and reporting on the internal audit timeline and activities of the Group.

During the financial period under the review, the Internal Auditors had:
- Prepared the Internal Audit Strategy Document for the financial period ended 31 March 2026 and presented the proposed audit scope for AC's approval;
- Carried out relevant activities to conduct internal audits in the following areas:-
  a) Data Privacy and Security
  b) Vendor / Procurement management
  c) Financial Management
- Discussed with the auditees in the course of conducting audit on any significant control lapses and/or deficiencies noted from the reviews for their consideration and corrective actions; and
- Submitted reports to the AC for any significant non-compliance, internal control weaknesses and actions taken by Management to resolve the audit issues identified.

Based on the internal audit review conducted by the outsourced internal auditor, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties to the Group.

4) Audit Committee ("AC")

The AC reviews, monitors and evaluates the effectiveness and adequacy of the Group's internal controls, financial and risk management issues raised by the External and Internal Auditors, regulatory authorities and Management. The review includes reviewing written reports from the External and Internal Auditors to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial actions are taken by Management.

The AC also convenes meetings with the External Auditors without the presence of Management and Executive Directors. In addition, the AC also reviews and assesses the adequacy of the scope, functions and competency of the External and Internal Auditors.

REVIEW AND MONITOR OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, with the assistance of the AC confirms that there is an on-going process in reviewing and monitoring the effectiveness, adequacy and integrity of the system of risk management and internal control of the Group for the financial year under review. The process is in place for the financial period under review and up to the date of issuance of the Statement on Risk Management and Internal Control. The Board had taken note of the Management's representation that there have been no material losses incurred during the financial period under review as a result of weaknesses in the risk management and internal control system.

The Board is of the view that the risk management and internal control system is sound and sufficient to provide reasonable assurance in safeguarding the interests of shareholder's investment and the Group's assets.

WEAKNESSES IN INTERNAL CONTROLS WHICH RESULTED IN MATERIAL LOSSES

There were no major weaknesses in internal controls which resulted in material losses during the financial period under review until the date of approval of this Statement.

DIRECTORS' RESPONSIBILITY STATEMENT

for the Audited Financial Statements

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2026 and of their financial performance and cash flows for the financial period then ended.

In preparing the financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgements and accounting estimates that are reasonable in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

-Restricted Issue to Dhaya Maju Infrastructure (Asia) Sdn Berhad ("DMIA")

i. Restricted Issue of 231,789,037 ordinary shares to DMIA ("Restricted Issue 2")

On 13 June 2025, the Company completed the Restricted Issue 2 exercise following the listing and quotation of 231,789,037 new ordinary shares at an issue price of RM0.12, raising a gross proceeds of RM27,814,684.44. The status of utilisation of the gross proceeds raised from Restricted Issue 2 as at 31 March 2026 is set out below:-

Proposed utilisation of proceeds	Timeframe for utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)
Working Capital	Within 12 months	24,000	24,000	-
Operational requirements	Within 12 months	3,315	3,315	-
Estimated expenses in relation to the Restricted Issue 2	Within 3 months	500	500	-
	Total	**27,815**	**27,815**	-

2. Audit and Non-Audit Fees

The audit and non-audit fees paid or payable to the external auditors by the Company and the Group for the financial period ended 31 March 2026 are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fees	135	857
Non-Audit Fees	15	64

3. Material Contracts

Save as disclosed below, neither the Company nor its subsidiaries entered into any material contracts involving the interests of Directors or major shareholders during the financial period from 1 April 2025 to 31 March 2026, other than those disclosed below, and there were no such material contracts subsisting at the end of the financial period.

The Company ("PESTEC") entered into a conditional subscription agreement with DMIA on 10 March 2025 for the subscription by DMIA of 231,789,037 new shares to be issued by the 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 ("Restricted Issue"). The Restricted Issue was completed on 13 June 2025.

DMIA is a major shareholder of PESTEC with 61.39% direct equity interest and is deemed interested in the Restricted Issue. Datuk Seri (Dr) Subramaniam Pillai A/L Sankaran Pillai, Group Executive Director of PESTEC and Datuk Mohamed Razeek bin Md Hussain Maricar, Group Managing Director of PESTEC are directors and major shareholders in PESTEC and DMIA, and are deemed interested in the Restricted Issue.

ADDITIONAL COMPLIANCE INFORMATION

4. **Recurrent Related Party Transactions ("RRPTs")**
   The details for the RRPTs of Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 March 2026 are stated in Section 4.2 of the Circular to Shareholders dated 31 July 2026, which is available on Bursa Securities' website and the Company's website.

5. **Employees' Share Option Scheme**
   The Company obtained approval from its shareholders at the Extraordinary General Meeting held on 27 October 2023 to establish an Employees' Share Option Scheme ("ESOS") of up to 5% of the total number of issued shares of PESTEC (excluding treasury shares) at any point in time during the duration of the ESOS for eligible directors and employees of PESTEC and its subsidiaries (excluding dormant subsidiaries, if any).

   The ESOS shall be in force for a duration of 5 years from the effective date on 8 March 2024, and extendable for a period of up to another 5 years immediately from the expiry of the 5 years upon the recommendation of the ESOS Committee 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 period ended 31 March 2026.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS
As at 26 June 2026

Class of Shares	:	Ordinary Shares
Total number of shares issued	:	2,549,679,408 (including 7,666,100 shares brought back and held as treasury shares)
Voting rights	:	One (1) vote for each share held

BREAKDOWN OF SHAREHOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of shares^	Percentage of Issued Capital
1 – 99	1,013	11.14	44,642	0.00
100 – 1,000	687	7.56	312,939	0.01
1,001 – 10,000	3,524	38.77	18,036,711	0.71
10,001 – 100,000	3,119	34.31	106,188,909	4.16
100,001 – 127,483,969*	745	8.20	859,972,170	33.73
127,483,970 and above**	2	0.02	1,565,124,037	61.39
Total	9,090	100.00	2,549,679,408	100.00

Remarks:
*Less than 5% of the issued holdings
**5% and above of the issued holdings
^Excluding 7,666,100 held as treasury shares

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(as shown in the Register of Substantial Shareholdings)

Name of Substantial Shareholders	No. of Shares Held			
	Direct Interest	%*	Indirect Interest	%*
Dhaya Maju Infrastructure (Asia) Sdn. Berhad	1,565,124,037	61.39	-	-
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai	18,781,000	0.74	(1)1,565,124,037	61.39
Datuk Mohamed Razeek Bin Md Hussain Maricar	2,000,000	0.08	(1)1,565,124,037	61.39
Lim Ah Hock	177,688,355	6.97	(2)1,072,750	0.04

Note:
1) Deemed interested by virtue of his direct shareholdings in DMIA pursuant to Section 8 of the Companies Act 2016 ("the Act").

2) Deemed interested pursuant to Section 8 of the Act by virtue of his indirect shareholdings in Kumpulan Liva Sdn. Bhd.

The percentage holding is based on the total number of issued shares of 2,549,679,408 ordinary shares excluding treasury shares of 7,666,100 ordinary shares.

DIRECTORS' INTERESTS IN SHARES

IN THE COMPANY	No. of Shares Held			
	No. of ordinary shares	%* of shares	No. of ordinary shares	%* of shares
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai	18,781,000	0.74	(1)1,565,124,037	61.39
Datuk Mohamed Razeek Bin Md Hussain Maricar	2,000,000	0.08	(1)1,565,124,037	61.39
Tan Sri Dato' Seri Mohd Zuki Bin Ali	-	-	-	-
Roza Shahnaz Binti Omar	-	-	-	-
Dato' Wee Yiaw Hin @ Ong Yiaw Hin	-	-	-	-
Masnizam Binti Hisham	-	-	-	-
Haymandhra Pillai Subramaniam Pillai (Alternate Director to Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai)	33,550,000	1.32	-	-

* The percentage holding is based on the total number of issued shares of 2,549,679,408 ordinary shares excluding treasury shares of 7,666,100 ordinary shares.

Note:-
(1) Deemed interested by virtue of his direct shareholdings in DMIA pursuant to Section 8 of the Companies Act 2016 ("the Act").

IN RELATED CORPORATIONS
Dhaya Maju Infrastructure (Asia) Sdn Berhad – Holding company

	No. of ordinary shares	% of shares	No. of ordinary shares	% of shares
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai	37,500,000	37.50	-	-
Datuk Mohamed Razeek Bin Md Hussain Maricar	21,000,000	21.00	-	-

Save as disclosed above, none of other Directors had any direct nor deemed interest in shares of the Company and its related corporations.

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SHAREHOLDERS
(as per Record of Depositors as at 26 June 2026)

No.	Names	No. of Shares	%
1	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Dhaya Maju Infrastructure (Asia) Sdn. Berhad	1,333,335,000	52.29
2	Dhaya Maju Infrastructure (Asia) Sdn. Berhad	231,789,037	9.09
3	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lim Ah Hock (PB)	80,175,455	3.14
4	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kong Yew	61,869,300	2.43
5	Minat Megah Sdn Bhd	60,214,600	2.36
6	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ah Hock	55,000,000	2.16
7	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Ah Hock (Third Party)	42,512,900	1.67
8	Haymandhra Pillai A/L Subramaniam Pillai	33,550,000	1.32
9	Chan Kong Yew	33,517,700	1.31
10	Malacca Securities Sdn Bhd	32,656,700	1.28
11	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Pay Chuan	23,496,390	0.92
12	Subramaniam Pillai A/L Sankaran Pillai	18,781,000	0.74
13	Harjit Singh S/O Gurdev Singh	15,040,000	0.59
14	Tan Peng Chung	14,400,500	0.56
15	Ibrahim Bin Talib	10,323,665	0.40
16	Hamidah Binti Ali	8,934,750	0.35
17	Universal Trustee (Malaysia) Berhad	8,600,000	0.34
18	Amsec Nominees (Asing) Sdn Bhd Pledged Securities Account for Lee Chong Chai	7,900,000	0.31
19	Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM Kenanga) (410224)	6,393,600	0.25
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamed Faroz Bin Mohamed Jakel	6,243,000	0.24
21	Lim Chin Hwa	6,000,000	0.24
22	Victory Platinum Sdn Bhd	5,390,000	0.21
23	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Megat Muzaffar Shah bin Mohamad Nor (PB)	5,000,000	0.20
24	Tee Kian Heng	4,574,600	0.18

25	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ahmad Shalimin Bin Ahmad Shaffie (E-TAI)	4,500,000	0.18
26	Kenanga Nominees (Tempatan) Sdn Bhd for Loh Tuck Weng	4,137,000	0.16
27	Maybank Nominees (Tempatan) Sdn Bhd Teoh Saw Khim	4,000,000	0.16
28	Tasec Nominees (Tempatan) Sdn Bhd Exempt an for TA Investment Management Berhad (Clients)	3,977,700	0.16
29	Lim Hon Seng	3,799,000	0.15
30	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Mei Lun	3,585,290	0.14
	TOTAL	2,129,697,187	83.53

ANALYSIS OF WARRANT HOLDINGS

ANALYSIS OF WARRANT HOLDINGS
As at 26 June 2026

Class of warrants	:	Warrants A
Total number of shares issued	:	95,145,862

BREAKDOWN OF WARRANT HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of warrants	Percentage of Issued Warrants
1 – 99	1,632	26.45	68,204	0.07
100 – 1,000	2,787	45.17	1,167,881	1.23
1,001 – 10,000	1,367	22.16	3,816,557	4.01
10,001 – 100,000	290	4.70	9,645,301	10.14
10,001 – 4,757,292*	91	1.47	34,950,715	36.73
4,757,293 and above**	3	0.05	45,497,204	47.82
Total	6,170	100.00	95,145,862	100.00

Remarks:
*Less than 5% of the issued holdings
**5% and above of the issued holdings

WARRANT HOLDERS HOLDING 5% OR MORE OF THE TOTAL NUMBER OF WARRANTS ISSUED
(as shown in the Register of Substantial Warrant holdings)

Name of Warrant Holders	No. of Warrants Held			
	Direct Interest	%*	Deemed Interest	%*
Lim Ah Hock	31,876,075	33.50	(1)304,583	0.32
Lim Pay Chuan	8,101,529	8.51	(2)132,008	0.14
Wong Xuk Jikn	5,519,600	5.80	-	-

Note:
(1) Deemed interested pursuant to Section 8 of the Companies Act 2016 ("the Act") by virtue of his indirect shareholdings in Kumpulan Liva Sdn. Bhd. and VESTECH Projects Sdn. Bhd.
(2) Deemed interested pursuant to Section 8 of the Act by virtue of his indirect shareholdings in VESTECH Projects Sdn. Bhd.

The percentage holding is based on the total of 95,145,862 warrants.

ANALYSIS OF WARRANT HOLDINGS

DIRECTORS' WARRANT HOLDINGS

IN THE COMPANY	No. of Shares Held			
	No. of warrants	%* of warrants	No. of warrants	%* of warrants
Datuk Seri (Dr.) Subramaniam Pillai Sankaran Pillai	-	-	-	-
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	-	-
Tan Sri Dato' Seri Mohd Zuki Bin Ali	-	-	-	-
Roza Shahnaz Binti Omar	-	-	-	-
Dato' Wee Yiaw Hin @ Ong Yiaw Hin	-	-	-	-
Masnizam Binti Hisham	-	-	-	-
Haymandhra Pillai Subramaniam Pillai	-	-	-	-

THIRTY LARGEST WARRANT HOLDERS
(as per Record of Depositors as at 26 June 2026)

No.	Names	No. of Shares	%
1	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lim Ah Hock (PB)	31,876,075	33.50
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Pay Chuan	8,101,529	8.51
3	Wong Xuk Jikn	5,519,600	5.80
4	Chang Mei Lun	2,748,937	2.89
5	Amsec Nominees (Asing) Sdn Bhd Pledged Securities Account for Lee Chong Chai	1,850,200	1,94
6	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Shein Din (E-PPG)	1,444,500	1.52
7	Ty Sereirith	1,295,662	1.36
8	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Ti Wooi (E-SPT/WMU)	1,185,400	1.25
9	Ibrahim Bin Talib	1,032,366	1.09
10	Lim Hon Seng	935,900	0.98
11	Hamidah Binti Ali	893,475	0.94
12	Ho Kah Heng	870,800	0.92
13	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Kim Choon	840,000	0.88
14	Abdul Wahab Bin Abu Samah	768,000	0.81

15	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Pay Chuan	690,000	0.73
16	Maybank Nominees (Tempatan) Sdn Bhd Thennarasu A/L Sengotiyah	665,800	0.70
17	Chan Teik Leong	632,800	0.67
18	Sivagukan A/L Thambirajah	580,000	0.61
19	Wong Chee Seong	574,900	0.60
20	Lim Chin Hwa	554,900	0.58
21	Choo Swee Kee	529,700	0.56
22	Han Fatt Juan	509,725	0.54
23	Maybank Nominees (Tempatan) Sdn Bhd Che Abd Shukur Bin Ali	505,000	0.53
24	Teo Sin Yien	500,300	0.53
25	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Ng Yunn Jee	500,000	0.53
26	Nihad Klapic	500,000	0.53
27	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Joo Wah (E-BSA/TCL)	436,700	0.46
28	Low Cit Peng	433,100	0.46
29	Teoh Peng Heng	410,000	0.43
30	Lim Hon Seng	402,800	0.42
	Total	67,788,169	71.25

LIST OF PROPERTIES

Registered and Beneficial Owner	Property Address/Title Details	Description and Existing Use	Category of Land Use/ Tenure of Property	Land Area/ Gross Built-Up Area	Carrying Amount @ 31 Mar 2025 (RM'000)	Date of Acquisition	Age of Building
Fornix Sdn. Bhd.	No. 26, Jalan Utarid U5/14, Seksyen U5, 40150 Shah Alam Selangor Darul Ehsan. Lot No. 69874 Title No. PN 11423 Mukim of Sungai Buloh District of Petaling Selangor Darul Ehsan.	Single-storey detached factory with an annexed three-storey office building (office) and other ancillary buildings, currently being used as our Group's corporate office, factory and warehouse.	Industry/ Leasehold of 99 years, expiring on 10 Jan 2102	4,027.0 square meters/ 2,896.7 square meters	5,204	11 January 2003	18 years
Fornix Sdn. Bhd.	No. 5, Jalan Jasmine 5 Seksyen BB10, Bandar Bukit Beruntung, 48300 Bukit Beruntung, Selangor Darul Ehsan. Lot No. 9366 Title No. GRN 207566 Mukim Bandar Serendah District Ulu Selangor Selangor Darul Ehsan.	Factory complex comprises 3 storey office annexed to 3 storey warehouse with a level of basement car park.	Industry/ Freehold	8,575 square meters	31,624	2 April 2013	7 years
Fornix Sdn. Bhd.	B2-1001 & 1002 Meritus Tower Oasis Corporate Park 43701 Ara Damansara Selangor Darul Ehsan. Lot No. 92087 Title No. GRN 317343 Mukim Damansara Daerah Petaling Selangor Darul Ehsan.	Commercial office lots	Commercial/ Freehold	1,080 square meters	6,854	26 March 2015	9 years

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP Market Listing Requirements]*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

**To select reference to relevant Listing Requirements*

Under each segment below, please insert additional rows for more item.

(A) Group Total Income and Total Assets

		Group	
		2026	**2025**
Total Income	**Remarks**	**(RM'000)**	**(RM'000)**
Revenue		291,146	591,994
Other income		204,525	16,026
Finance income		18,369	46,728
Share of result of associates		-	(898)
Total		**514,040**	**653,850**
Total Assets		**1,546,317**	**1,858,263**

(B) Business Activities

		Group	
		2026	**2025**
Shariah Non-Compliant Activities	**Remarks**	**(RM'000)**	**(RM'000)**
Conventional banking & finance and related services		560	1,790
Please Select			
Please Select			
Please Select			
Total		**560**	**1,790**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(C) Component of Financial Position

(i) Cash Component

		Group	
		2026	2025
Islamic Account/Instruments	**Remarks**	**(RM'000)**	**(RM'000)**
Cash at bank (exclude cash in hand)		15,895	89,143
Deposits with licensed bank			
Please Select: Islamic Components			
Please Select: Islamic Components			
Total		**15,895**	**89,143**
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		45,726	41,845
Deposits with licensed bank		9,531	45,284
Please Select: Conventional Components			
Please Select: Conventional Components			
Total		**55,257**	**87,129**

(ii) Debt Component

		Group	
		2026	2025
Islamic Financing	**Remarks**	**(RM'000)**	**(RM'000)**
Current			
Bank borrowings		55,520	55,415
Revolving credit and financing		22,488	88,704
Bank overdrafts		2,205	3,029
Trust receipt			47,713
Banker's acceptances		2,428	5,586
Non-Current			
Bank borrowings		149,432	171,048
Revolving credit and financing			
Bank overdrafts			
Banker's acceptances			
Total		**232,073**	**371,495**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

		Group	
Conventional Borrowing	Remarks	2026 (RM'000)	2025 (RM'000)
Current			
Bank borrowings		233,204	292,504
Revolving credit and loans		33,075	70,535
Bank overdrafts		18,353	7,849
Trust receipt		6,319	47,213
Banker's acceptances			20,637
Hire purchase payables		529	417
Non-Current			
Bank borrowings		70,109	114,327
Revolving credit and loans			
Bank overdrafts			
Trust receipt			
Hire purchase payables		7,329	8,733
Total		**368,918**	**562,215**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that Fifteenth Annual General Meeting ("15th AGM") of PESTEC International Berhad ("PESTEC" or "the Company") will be held at Conference Room, Wisma Masyhur 2, No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur on Wednesday, 9 September 2026 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:-

A G E N D A	**Ordinary Resolutions**
<u>AS ORDINARY BUSINESS</u>	
1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and the Auditors thereon. *(See Explanatory Note 1)*	
2. a) To approve the payment of Directors' fees for an amount up to RM659,100/-, payable on monthly basis from the conclusion of the 15th AGM until the next Annual General Meeting to be held in 2027. *(See Explanatory Note 2)*	**Resolution 1**
b) To approve the payment of Directors' benefits of up to RM187,200/- to the Non- Executive Directors from the conclusion of the 15th AGM until the next Annual General Meeting to be held in 2027. *(See Explanatory Note 2)*	**Resolution 2**
3. To re-elect the following directors who retire by rotation in accordance with Clause 118 of the Constitution of the Company and being eligible, have offered themselves for re-election:	
a. Tan Sri Dato' Seri Mohd Zuki bin Ali	**Resolution 3**
b. Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	**Resolution 4**
4. To re-elect Pn Nazeera binti Alias who retires in accordance with Clause 117 of the Constitution of the Company and being eligible, has offered herself for re-election. *(See Explanatory Note 3)*	**Resolution 5**
5. To re-appoint Messrs Nexia SSY PLT as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.	**Resolution 6**
<u>AS SPECIAL BUSINESS</u> To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolutions:-	
6. AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES IN THE COMPANY UNDER SECTION 85(1) OF THE COMPANIES ACT READ TOGETHER WITH CLAUSE 14 OF THE CONSTITUTION OF THE COMPANY	**Resolution 7**

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 14 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, such new shares when issued, to rank pari passu with the existing shares in the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(See Explanatory Note 4)

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") **Resolution 8**

"THAT subject to the provisions of the Constitution of the Company and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the recurrent related party transactions ("RRPTs") of a revenue or trading nature with the related parties as stated in Section 4.2 of the Circular to Shareholders dated 31 July 2026 provided that:

a. the transactions are in the ordinary course of business and on normal commercial terms which are 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 the Company; and
b. the disclosure will be made in the Annual Report on the breakdown of the aggregate value of the RRPTs conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the types of RRPTs made, the names of the related parties involved in each type of RRPTs and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

a. the conclusion of the next AGM of the Company following the forthcoming 15th AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
b. the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c. revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

(See Explanatory Note 5)

8. PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN PESTEC INTERNATIONAL BERHAD ("PESTEC SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT PLAN ("DRP") OF THE COMPANY WHICH WILL PROVIDE THE SHAREHOLDERS OF PESTEC ("SHAREHOLDERS") WITH THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN PESTEC SHARES ("PROPOSED RENEWAL OF DRP AUTHORITY") **Resolution 9**

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting of the Company held on 9 October 2013 and subject to the approval of the relevant regulatory authorities (if any), approval be and is hereby given to the Company to allot and issue such number of new PESTEC Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the best interest of the Company, PROVIDED THAT the issue price of the said new PESTEC Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the five (5)-day volume weighted average market price ("VWAP") of PESTEC Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."
(See Explanatory Note 6)

9. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board
TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)
Company Secretaries

Selangor Darul Ehsan
31 July 2026

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 1 September 2026 shall be eligible to attend, speak and vote at the 15th AGM.

2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, speak and vote at the 15th AGM shall have the same rights as the member to attend, speak and vote at the 15th AGM.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

4. A member of the Company may appoint more than one (1) proxy to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies to attend, speak and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with shares of the Company standing to the credit of the said Securities Account.

6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

7. The appointment of proxy may be made in the form of hardcopy or by electronic means as specified below and must be received by the Share Registrar, Securities Services (Holdings) Sdn Bhd no later than Monday, 7 September 2026 at 10:00 a.m. or any adjournment thereof:-

    i. In hard form
    Deposited at the office of the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

    ii. By electronic means
    Alternatively, the instrument appointing of proxy may also be lodged electronically by email to info@sshsb.com.my or by fax to +603-20949940/+603-20950292.

8. Pursuant to paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice of Annual General Meeting will be put to vote by poll. Poll Administrator and Independent Scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

9. The 15th AGM will be conducted on physical basis. Members are advised to refer to the Administrative Guide on the registration and voting process for the 15th AGM.

Explanatory Notes

1. This item of the agenda is meant for discussion only, in accordance with Section 340 (1) of the Companies Act, 2016 which requires the laying of the audited financial statements, and the reports of the directors and auditors at an annual general meeting ("AGM"). Hence, this agenda item will not be put forward for voting.

2. Payment of Directors' fees and Directors' benefits
    Section 230(1)(b) of the Companies Act, 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiary companies shall be approved at a general meeting.

    The Company is requesting shareholders' approval for the payment of Directors' fees, payable on monthly basis, in respect of the period commencing from the conclusion of 15th AGM until the conclusion of the next Annual General Meeting of the Company in 2027, and Directors' benefits to Non-Executive Directors of the Company from the conclusion of 15th AGM until the conclusion of the next Annual General Meeting of the Company in 2027 ("Mandate Period") in accordance with the remuneration structure set out below. The Directors' benefits payable to the Non-Executive Directors comprises meeting allowances, which will only be accorded based on actual attendance of meetings by the Non-Executive Directors during the Mandate Period. The Directors' Fees and meeting allowance were determined after taking into consideration, the

Directors' Fees	RM659,100
Meeting Allowance RM2,000 per meeting for Audit Committee Chairman RM1,500 per meeting for:- • Chaiman of Nomination Committee • Chairman of Remuneration Committee • Members of committees	RM187,200

number of scheduled Board and committees' meeting to be held, including a provisional sum as a contingency should there be new appointment of non-executive directors and additional Board or committees' meetings to be held.

In the event that the proposed Non-Executive Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the 16th AGM of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

3. Re-election of directors
Section 340(1)(b) of the Companies Act, 2016 provides that the election of directors in place of those retiring shall be approved at annual general meeting. The profiles of the Directors who are standing for re-election as per Agenda item no. 3 & 4 are set out in the Directors' profile of the Annual Report 2026.

   Based on the recommendation of the Nomination Committee, the Board is satisfied with the performances and contributions of the following Directors and supports the re-election based on the following justifications:-

   a. Ordinary Resolution 3 – Re-election of Tan Sri Dato' Seri Mohd Zuki bin Ali as an Independent Non-Executive Chairman

      Tan Sri Dato' Seri Mohd Zuki bin Ali fulfils the requirements of independence set out in the MMLR of Bursa Securities as well as the Malaysian Code on Corporate Governance. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process. He has exercised due care and carried out his professional duties during his tenure as an Independent Non-Executive Chairman of the Company.

   b. Ordinary Resolution 4 – Re-election of Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai as an Executive Director

      Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai has demonstrated strong strategic direction, deep industry knowledge and effective oversight of key operational areas. His re-election will provide continuity and support the Company's ongoing growth and long term value creation.

   c. Ordinary Resolution 5 – Re-election of Pn Nazeera binti Alias as an Independent Non-Executive Director

NOTICE OF ANNUAL GENERAL MEETING

Pn Nazeera binti Alias was appointed to the Board on 23 July 2026 to fill a casual vacancy. She fulfills the requirements of independence set out in the MMLR of Bursa Securities and Malaysian Code on Corporate Governance. She also brings relevant experience, fresh perspective, and valuable expertise to the Board. Her re-election will ensure continuity of the Company's ongoing growth and strengthen the Board's overall composition.

4. Authority to Issue Shares pursuant to the Companies Act, 2016
   The Company had, during its 14th AGM held on 4 September 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act, 2016. As of the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

   Ordinary Resolution 7 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act and empowering the Directors of the Company to issue and allot shares in the Company from time to time, provided that the aggregate number of such shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

   The Proposed General Mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s), without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

   By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Act and the Constitution of the Company, the shareholders, having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company which will result in a dilution to their shareholding percentage in the Company, allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the Proposed General Mandate.

   Should there be a decision to issue new shares after the Proposed General Mandate is obtained, the Company will make an announcement in respect thereof.

5. Proposed Shareholders' Mandate
   The proposed Ordinary Resolution 8, if passed, will allow the Company and its subsidiaries to enter into RRPTs in accordance with Paragraph 10.09 of MMLR of Bursa Securities.

   For further information on Ordinary Resolution 8, please refer to the RRPT Circular to Shareholders dated 31 July 2026 accompanying the Annual Report of the Company for the financial year ended 31 March 2026.

6. Proposed Renewal of DRP Authority
   The proposed Ordinary Resolution 9, if passed, will allow the Company to allot and issue new PESTEC Shares pursuant to DRP until the conclusion of the next AGM of the Company. It would also allow the Directors to fix the issue price of such new PESTEC Shares at a discount of up to 10% of the five (5)-day volume weighted average market price of PESTEC Shares immediately prior to the price-fixing date.

Statement Accompanying Notice of Annual General Meeting
[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

1. **Details of individuals who are standing for election (excluding directors standing for re-election) as Directors**
   There are no individuals who are standing for election as Directors at 10th AGM of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**
   Details of the general mandate to issue securities pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 4 of this Notice.

   Personal data privacy:

   By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

PESTEC INTERNATIONAL BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2026

Registration No: 201101019901 (948035 - U)

PESTEC INTERNATIONAL BERHAD
(Incorporated in Malaysia)

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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)*

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 32.1 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)

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	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)

		Group	
	Note	1.4.2025 To 31.3.2026 RM'000	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
(Loss)/Profit 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 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
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		-	(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		(28,385)	28,813	1,834	(2,176)

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		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
Changes in working capital:					
Inventories		(1,052)	(30,086)	-	-
Receivables		76,385	41,136	-	266
Payables		(41,774)	(172,941)	-	2,077
Contract customers		15,384	292,767	-	-
Associates		(6,389)	(4,846)	-	-
Subsidiaries		-	-	(71,215)	-
Ultimate holding company		-	(27,981)	-	-
Cash generated from operations		14,168	126,862	(69,381)	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)	-	(474)
Net cash (used in)/generated from operating activities		(45,651)	6,054	(72,475)	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)

		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
FINANCING ACTIVITIES					
Advances from Directors		-	-	-	1,650
Advances from immediate and ultimate holding company		-	-	5,706	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)	-	(26,627)	-
Repayments to related subsidiaries	**B**	-	-	-	(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	-	(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	761	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	(6,389)		(34,510)		89,806
Amount due to immediate and ultimate holding company	-	-		-		-
Borrowings	31,559	-		-	(a)	31,559
Term loans	35,000	-		(35,000)		-

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 (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.

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)

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

The accompanying notes form an integral part of the financial statements

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.

Construction contracts

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 (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.

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	1,869	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	Group 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	-	(751)	(751)
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 RM'000	Company 2025 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
Subsidiary of PEN:				
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.
Subsidiaries of PPW:				
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.
Subsidiary of PP1:				
ODM Power Line Company Limited ("OPL") [(b)]#	Cambodia	70	70	Construction of electrical substation and transmission line.
Subsidiary of ASF:				
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.
Subsidiaries of PSB:				
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	**2025**
	RM'000	**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	**2025**
	RM'000	**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	**2025**
	RM'000	**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 RM'000	2025 RM'000	2026 RM'000	2025 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 RM'000	2025 RM'000	2026 RM'000	2025 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 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 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 RM'000	**2025 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

PESTEC INTERNATIONAL BERHAD
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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	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**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
	1,631	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	**2025**
	RM'000	**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:

	Carrying amount RM'000	Contractual cash flows RM'000	Maturity: Less than 1 year RM'000	Maturity: 1 to 5 years RM'000	Maturity: 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):

			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 (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	Maturity: 1 to 5 years RM'000	Maturity: 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	150,354

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	← Less than 1 year RM'000	Maturity 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	**2025**
	RM'000	**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	(153,833)	(74,015)	-	(16,250)
	(193,273)	(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)	1,912	(28,875)
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	(28,846)	(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)
	(28,875)	(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:

No: A-W 594
Chandanjit Singh A/L Suran Singh

Commissioner for Oaths

Independent Auditors' Report
To The Members Of PESTEC International Berhad

Registration No: 201101010901 (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.

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

Registration No: 201101010901 (948035 - U)
(Incorporated in Malaysia)

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.

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.

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

Registration No: 201101010901 (948035 - U)
(Incorporated in Malaysia)

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: 201101010901 (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.

Independent Auditors' Report
To The Members Of PESTEC International Berhad (continued)
Registration No: 201101010901 (948035 - U)
(Incorporated in Malaysia)

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

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.

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.

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

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

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

FORM OF PROXY

Number of Shares:	
CDS account no.:	
Contact No.:	
Email Address:	

I/We ______________________________ NRIC No./Passport No./Company No. ____________________
(Full name in block letters)

of ____
(Full address)

being a *member/members of **PESTEC INTERNATIONAL BERHAD** ("**Company**"), hereby appoint :-

Full Name (in Block as per NRIC/Passport)	NRIC/ Passport No.
Address	

*and/or *delete if inapplicable

Full Name (in Block as per NRIC/Passport)	NRIC/ Passport No.
Address	

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Conference Room, Ground Floor, Wisma Masyhur 2, No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur on Wednesday, 9 September 2026 at 10.00 a.m. or any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fee.		
2.	To approve the payment of Directors' benefits.		
3.	To re-elect Tan Sri Dato' Seri Mohd Zuki bin Ali as a Director of the Company.		
4.	To re-elect Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai as a Director of the Company.		
5.	To re-elect Pn Nazeera binti Alias as a Director of the Company		
6.	To re-appoint Messrs Nexia SSY PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre- emptive Rights		
8.	Proposed renewal of shareholders mandate for recurrent related party transactions of a revenue or trading nature and Proposed new shareholders mandate for additional recurrent related party transactions of a revenue or trading nature		
9.	Proposed renewal of Dividend Reinvestment Plan Authority		

Please indicate with an "X" in the appropriate space how you wish your proxy to votes. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/ she thinks fit, or at his/ her discretion, abstain from voting.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies :		
	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

____
*Signature of Shareholder /Common Seal
Date:
Contact No:
** Delete if inapplicable*

Fold this flap for sealing

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 1 September 2026 shall be eligible to attend, speak and vote at the 15th AGM.*
2. *A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, speak and vote at the 15th AGM shall have the same rights as the member to attend, speak and vote at the 15th AGM.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
4. *A member of the Company may appoint more than one (1) proxy to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies to attend, speak and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with shares of the Company standing to the credit of the said Securities Account.*
6. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

Affix
stamp

The Share Registrar of

PESTEC INTERNATIONAL BERHAD
c/o Securities Services (Holdings) Sdn Bhd

Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

1st fold here

7. *The appointment of proxy may be made in the form of hardcopy or by electronic means as specified below and must be received by the Share Registrar, Securities Services (Holdings) Sdn Bhd no later than Monday, 7 September 2026 at 10:00 a.m. or any adjournment thereof:*
   i. *In hard form*
   Deposited at the office of the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.
   ii. *By electronic means*
   Alternatively, the instrument appointing of proxy may also be lodged electronically by email to info@ sshsb.com.my or by fax to +603-20949940/+603-20950292.
8. *Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of Annual General Meeting will be put to vote by poll. Poll Administrator and Independent Scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.*
9. *The 15th AGM will be conducted on physical basis. Members are advised to refer to the Administrative Guide on the registration and voting process for the 15th AGM.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 15th AGM dated 31 July 2026.

PESTEC International Berhad

(formerly know as PESTECH International Berhad)

Registration No.: 201101019901 (948035-U)

www.pestec-international.com

45, Jalan Medan Setia 1,
Bukit Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan
Malaysia.

www.pestec-international.com