PESTEC

ENERGISING GROWTH SUSTAINABLY

ANNUAL REPORT
2025

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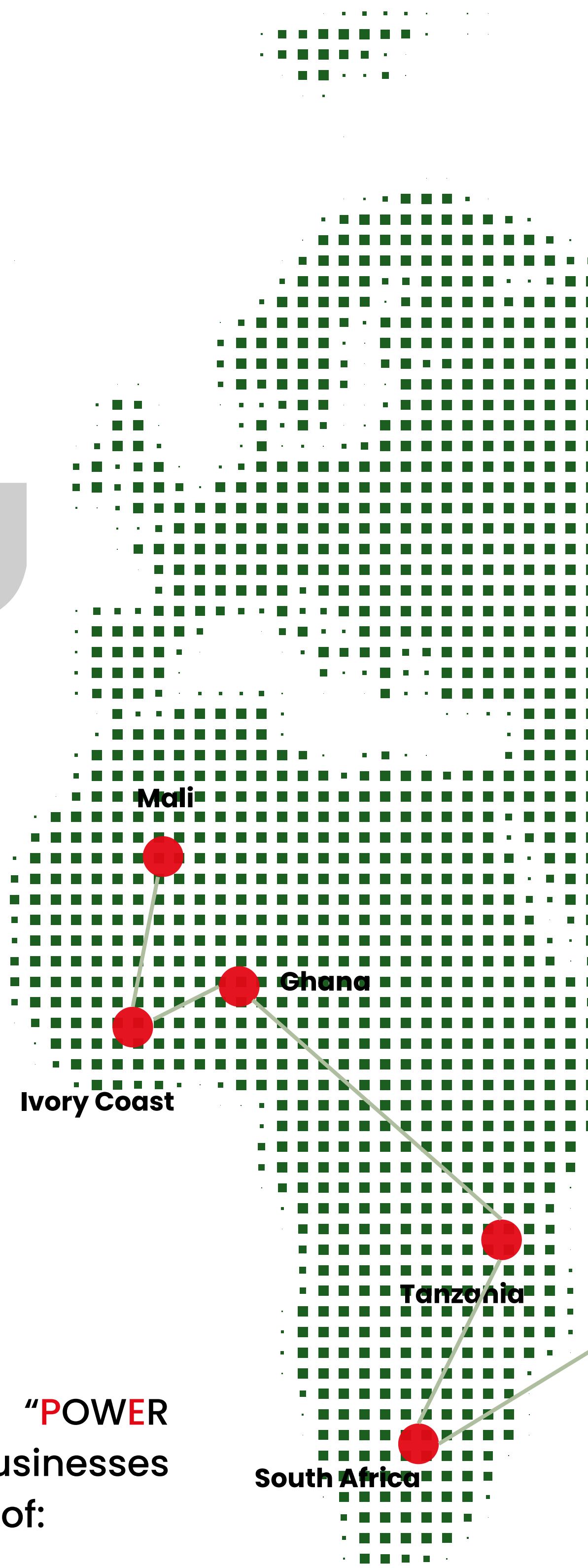
ABOUT PESTEC

PESTEC International Berhad ("PESTEC" or "the Company") is a Malaysian integrated electrical power technology company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: PESTEC 5219) since 2012.



PESTEC involves in project management, engineering, digitalisation, manufacturing, installation, testing and commissioning of electrical power infrastructures for power grid and rail network. To date, the Company has expanded its market reach into countries in the region such as Cambodia, Philippines, Thailand, Myanmar and Papua New Guinea. Our commitment is to deliver the best to PESTEC clients by investing in talent development as well as state-of-the-art technology. We strive to build a culture of service excellence, create magic moments for our customers to get us noticed, remembered and referred. In PESTEC, we are committed to add value to our clients and shareholders.

Combining our proactive services and competitive products together with the strong uphold of the Company's vision, we are confident that PESTEC will continue to be a sustainable electrical infrastructure builder of choice.

The Company derived its name from "POWER SYSTEM TECHNOLOGY" and our core businesses are divided into six segments comprising of:

Transmission Line and Power Cables

Power Products and Smart Grid

HV and EHV Electrical System

Power Generation

Infrastructure Asset Management

Rail Electrification and Signalling

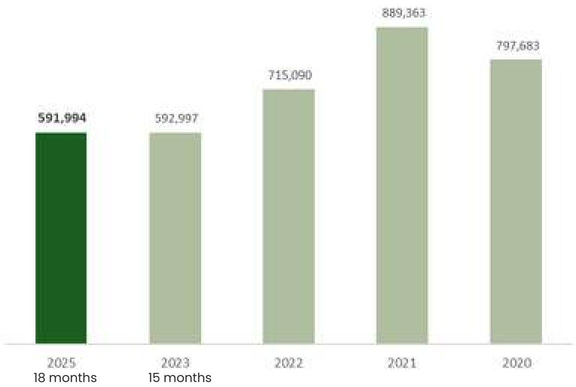
FINANCIAL HIGHLIGHTS

	18 months 31 Mar	15 months 30 SEP			
FYE/FPE	2025 [(1)]	2023	2022	2021	2020
PROFITABILITY					
Revenue (RM'000)	591,994	592,997	715,090	889,363	797,683
EBIT (RM'000)	(259,211)	(329,742)	47,221	125,197	103,508
(Loss)/Profit before tax (RM'000)	(333,634)	(389,923)	41,674	113,650	84,186
(Loss)/Profit after tax (RM'000)	(339,524)	(398,254)	37,330	102,680	64,516
(Loss)/Profit for the period/year attributable to the owners of the Company (RM'000)	(341,506)	(334,288)	9,982	64,846	51,451
(Loss)/Profit for the period/year attributable to the equity holder (RM'000)	(323,340)	(328,373)	13,726	66,213	51,451
(Loss)/Profit for the period/year attributable to the owner (RM'000)	(341,506)	(334,288)	9,982	64,846	51,451
Finance Cost (RM'000)	121,151	108,329	64,086	60,296	63,626
EBITDA (RM'000)	(239,424)	(304,036)	65,726	142,955	122,170
FINANCIAL POSITION					
Total assets (RM'000)	1,858,263	2,501,289	3,030,744	2,704,332	2,452,581
Share capital (RM'000)	392,942	232,942	232,942	212,672	212,672
Shareholders' equity (RM'000)	244,722	474,508	927,483	761,712	606,131
Total bank borrowings (RM'000)	906,016	1,116,408	1,361,505	1,249,723	1,200,436
FINANCIAL RATIO					
Return on equity	(139%)	(84%)	4%	13%	11%
Return on total assets	(18%)	(16%)	1%	4%	3%
Gearing ratio	3.92	2.35	1.47	1.64	1.98
Interest cover	(2.14)	(3.04)	0.74	2.08	1.62
SHARE INFORMATION					
Total dividend payout (RM'000)	-	-	3,806	7,612	-
(Loss)/ Earnings per share (sen) [(2)]	(27.66)	(33.95)	1.04	6.81	5.39
Net assets per share (sen)	10.56	48.20	94.20	79.99	63.52
Weighted average number of ordinary share in issue ('000) Original	1,234,706	844,555	961,229	761,625	763,979
Adjustment - bonus issue				190,293	190,782
Weighted average number of ordinary share in issue ('000) [(2)]	1,234,706	984,555	961,229	951,918	954,761
Number of Shares ('000) Original	2,325,556	992,221	992,221	764,294	764,294
Treasury shares	(7,666)	(7,666)	(7,666)	(3,121)	(1,163)
Adjustment - bonus issue	0	0	0	191,073	191,073
Number of Shares ('000)	2,317,890	984,555	984,555	952,246	954,204

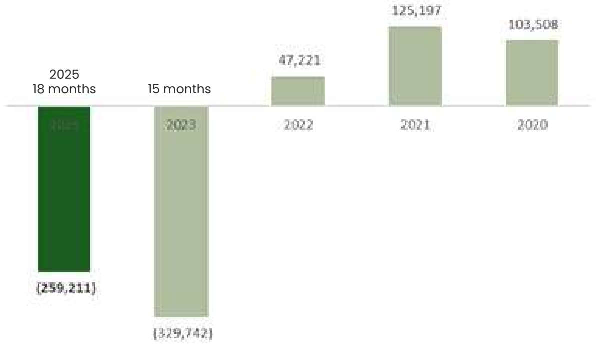
(1) (1) The presentation of the 18-month financial period ended 31 March 2025 ("2025") follows a change in the Group's financial year end from 30 September to 31 March announced on 5 November 2024. The preceding financial period FP2023 was for the financial period ended on 30 September (15 Months). The financial years for FY2019 to FY2022 were for the financial years ended on 30 June.

(2) For comparison purposes, (loss)/earnings per share, net assets per share and weighted average number of ordinary shares 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.

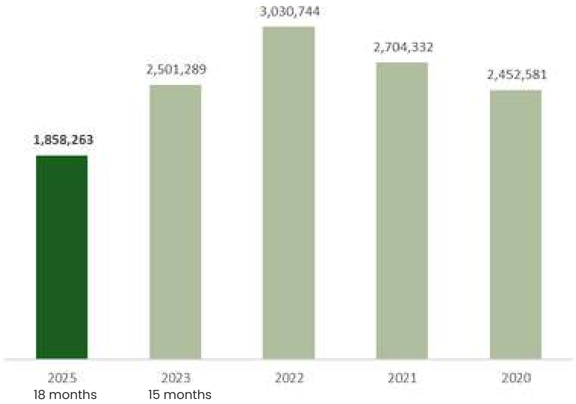
REVENUE (RM'000)



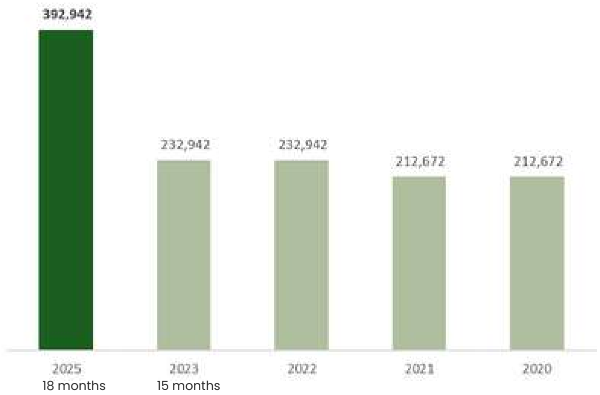
EBIT (RM'000)



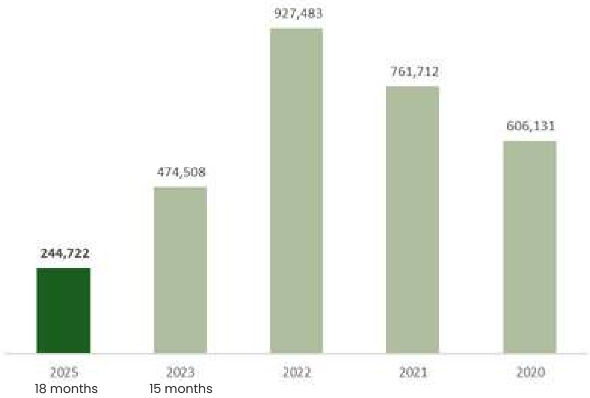
TOTAL ASSET (RM'000)



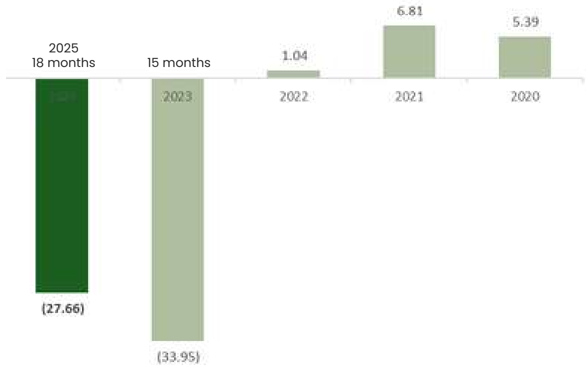
SHARE CAPITAL (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



(LOSS)/EARNINGS PER SHARE (SEN)



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai
Group Executive Director

Datuk Mohamed Razeek Bin Md Hussain Maricar
Group Managing Director

Lim Ah Hock
Non-Independent Non-Executive Director

Lim Pay Chuan
Non-Independent Non-Executive Director

Helen Tan Miang Kieng
Independent Non-Executive Director

Dato' Wee Yiaw Hin @ Ong Yiaw Hin
Independent Non-Executive Director

Roza Shahnaz Binti Omar
Independent Non-Executive Director

Masnizam Binti Hisham
Independent Non-Executive Director

COMPANY SECRETARIES

Lee Sook Ping
(SSM PC No. 201908002872) (MAICSA 7057094)

Chua Siew Chuan
(SSM PC No. 201908002648) (MAICSA 0777689)

AUDITORS

GRANT THORNTON MALAYSIA PLT (201906003682 & LLP0022494-LCA & AF0737)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. No : +603 2692 4022

REGISTERED OFFICE

Level 12, Wisma Masyhur 2
3, Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel. No : +603 7845 2186
Website : www.pestec-international.com

HEAD OFFICE

Wisma Masyhur 2
3, Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel. No : +603 7845 2186
Website : www.pestec-international.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No : +603 2084 9000
Fax No : +603 2094 9940

STOCK EXCHANGE

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

AUDIT COMMITTEE

Roza Shahnaz Binti Omar (Chairperson)
Helen Tan Miang Kieng
Masnizam Binti Hisham
Dato' Wee Yiaw Hin @ Ong Yiaw Hin

NOMINATION COMMITTEE

Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Chairman)
Helen Tan Miang Kieng
Roza Shahnaz Binti Omar
Masnizam Binti Hisham

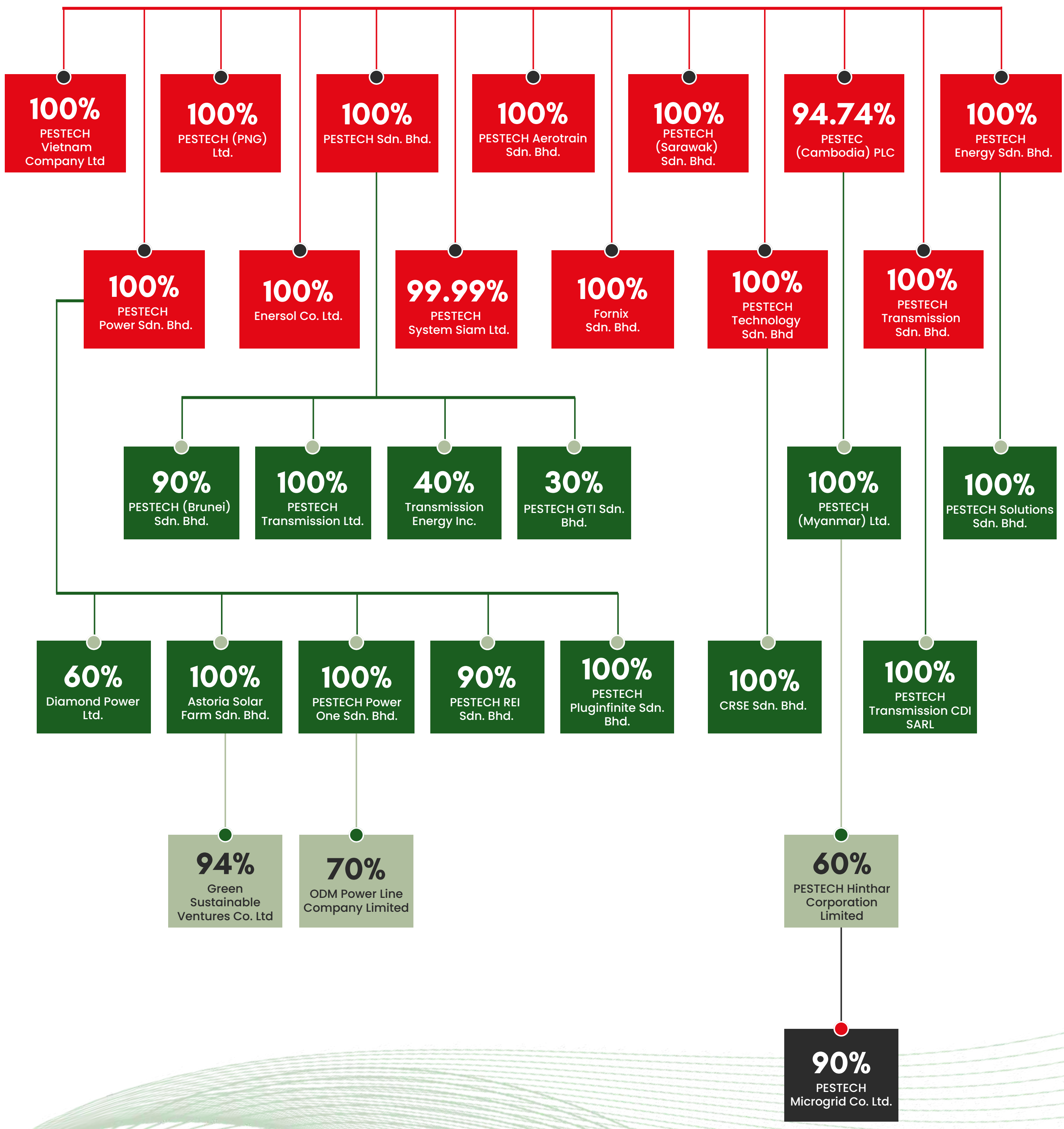
REMUNERATION COMMITTEE

Masnizam Binti Hisham (Chairperson)
Roza Shahnaz Binti Omar
Dato' Wee Yiaw Hin @ Ong Yiaw Hin
Helen Tan Miang Kieng

GROUP STRUCTURE

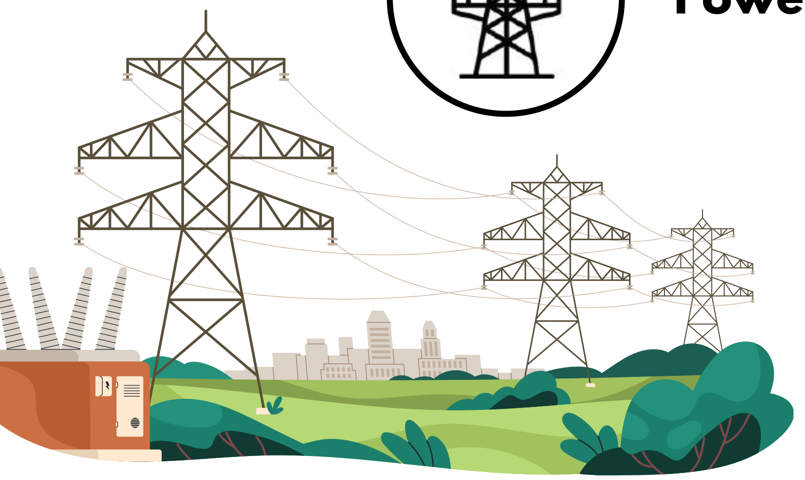
PESTEC

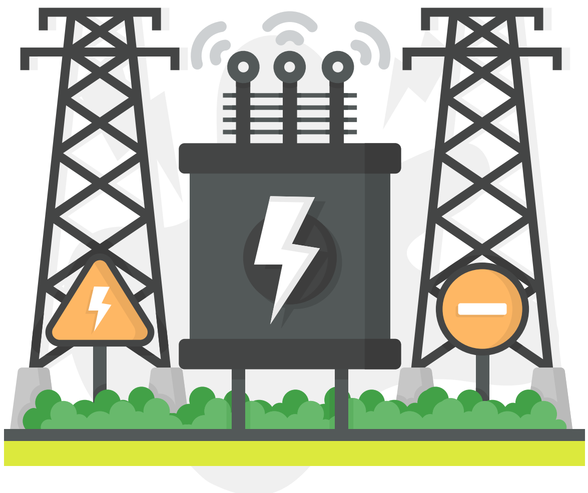
PESTEC INTERNATIONAL BERHAD



MAIN BUISNESS SEGMENTS

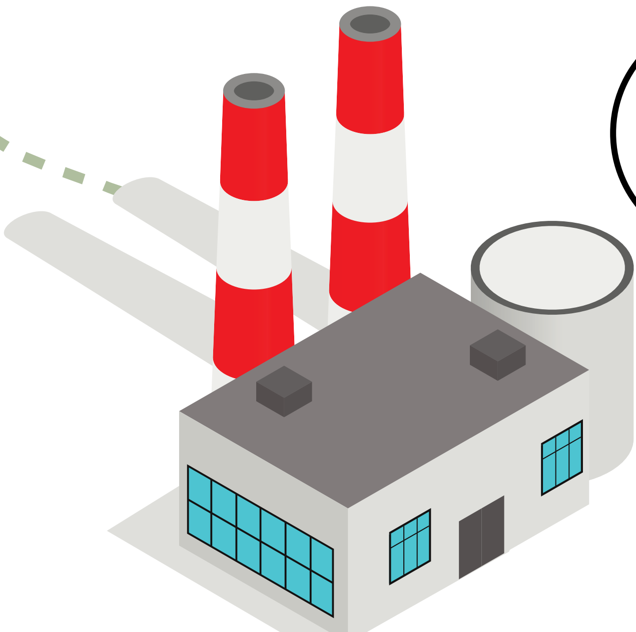
Transmission Line and Power Cables



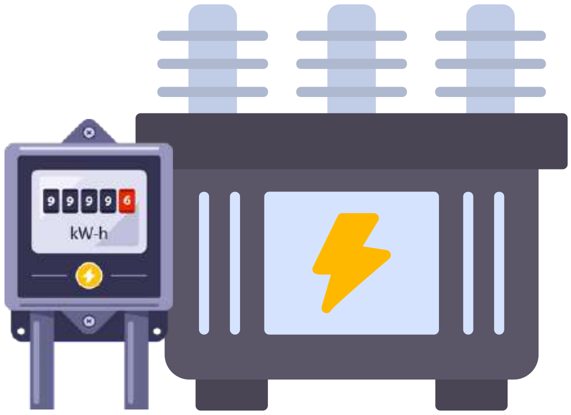


HV and EHV Electrical System

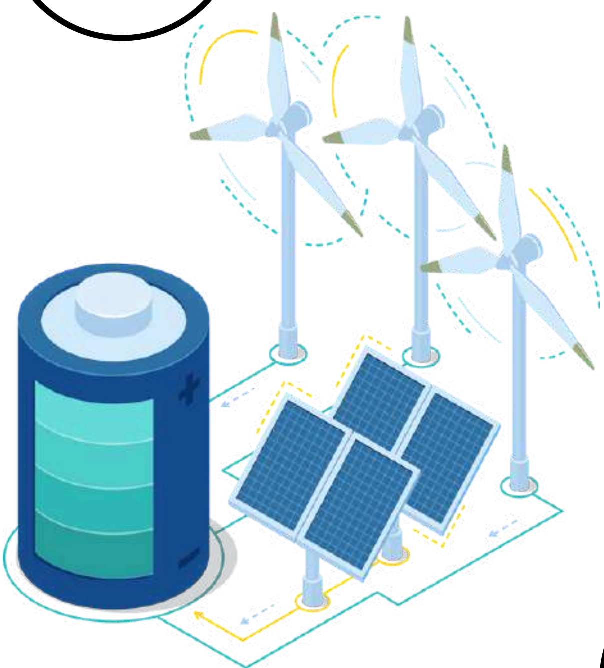
Infrastructure Asset Management



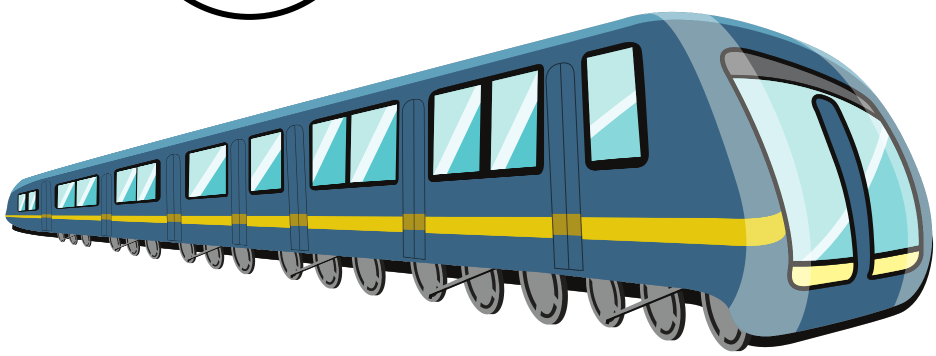
Power Products and Smart Grid



Power Generation



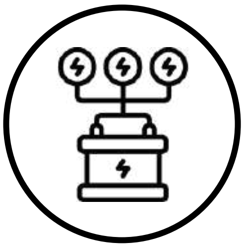
Rail Electrification and Signalling



Main Business Segments

HV AND EHV ELECTRICAL SYSTEM

Established in 1991, PESTECH Sdn. Bhd. ("PSB") had positioned itself as a leading provider of comprehensive power system engineering and technical solutions. PSB's primary focus involves the design, procurement, and installation of high voltage ("HV") and Extra HV ("EHV") substations, catering to both local and international markets.



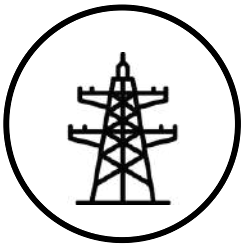
PSB achieved significant milestones in constructing Air Insulated Substations and Gas Insulated Substations, demonstrating its expertise up to 500kV across various regions, including but not limited to Malaysia, Cambodia, Philippines, Sri Lanka, Papua New Guinea, Kyrgyzstan, Iraq, Ghana, and Ivory Coast. PSB had garnered a solid reputation by successfully delivering projects for both utilities and private owners in these locations.

Project execution is managed by PSB's in-house engineering, construction, and commissioning team, ensuring a comprehensive approach to meet and exceed customer requirements and expectations. The team's competencies encompass design optimisation, multidisciplinary engineering implementation, and adherence to relevant international standards and electrical safety requirements. The collective knowledge and skills of its employees play a pivotal role in the company's ongoing expansion within the power industry, both domestically and regionally.

In line with the global emphasis on business sustainability, PSB embraced the modular pre-cast method in its substation projects. This strategic shift aims to enhance work efficiency, minimise wastage during construction, and align with environmentally conscious practices. The deployment of the pre-cast construction method not only reduces material wastage but also contributes to minimising environmental impact and shortening construction times, ultimately leading to improve project delivery.

TRANSMISSION LINE AND POWER CABLES

From its humble beginnings as a private limited company in Phnom Penh, Cambodia, the Transmission Line and Power Cables division, prominently under PESTEC (Cambodia) Plc. ("PCL"), has undergone significant growth and transformation. It is a public listed company on the Cambodia Securities Exchange since 2020, solidifying its position as a reliable Engineering, Procurement, Construction, and Commissioning ("EPCC") contractor for transmission lines and power cable systems.



With a focus on comprehensive services, including civil works and the provision of operation and maintenance services for electrical infrastructure assets, PCL has established itself both locally and overseas.

The division's strengths lie in its capabilities and competencies in design, engineering, installation, testing, and commissioning of power transmission lines and underground cables. Over the years, PCL has successfully commissioned a substantial number of electric transmission lines and cables, spanning capacities from 33kV to 500kV.

Starting with just 12 employees in 2010, PCL has grown significantly, currently employing a substantial workforce. As the Cambodian-subsidiary of PESTEC, it stands out as one of the most well-equipped EPCC providers in Cambodia, possessing the necessary tools and equipment for the construction of HV and EHV transmission lines and cables.

Expanding beyond Cambodia, the Transmission Line and Power Cables division has projects in Papua New Guinea. Leveraging on its established presence, the division is poised to capitalise on greater market opportunities in the Mekong region and West Africa.

PCL's journey, from a modest start to becoming a publicly listed entity, underscores its commitment to excellence and its capability to navigate and contribute to the evolving landscape of the power infrastructure industry in Cambodia and beyond.

Main Business Segments

INFRASTRUCTURE ASSET MANAGEMENT

Our Group has strategically built and cultivated a team of skilled engineers and technicians, dedicated in performing the critical asset management function for the comprehensive service of operation and maintenance ("O&M"). This service is not limited to our own group of companies holding infrastructure assets but extends to third-party asset owner companies seeking the expertise of a professional O&M solution provider for enhanced reliability. Our Group's O&M services is supported by established O&M standards and best practices, which are designed to address the unique operation and maintenance requirements of various assets.

Our commitment to O&M services is demonstrated by our engagement with these diverse infrastructure assets. The goal is not only to provide routine maintenance but also to enhance the overall performance, reliability and efficiency of the assets. This includes ensuring that the assets meet or exceed industry standards and adhere to best practices in O&M.

Our Group is actively involved in delivering O&M services for several notable infrastructure projects, including:-
1. 500kV West Phnom Penh to Sihanoukville Transmission System Project
2. 20MWac Solar Photovoltaic Power Plant in Bavet City

POWER PRODUCTS AND SMART GRID

PESTEC, leveraging on its subsidiary PESTECH Energy Sdn. Bhd. ("PEN"), is at the forefront of the digitalisation business segment within the Group. PEN specialises in providing tailor-made solutions to achieve end-to-end Energy 4.0 capabilities. The diverse portfolio includes systems for monitoring substations, renewable energy solutions for powering microgrids, Electric Vehicle ("EV") charging solutions and Advanced Metering Infrastructure solutions that adhere to international standards such as IEC 61850 and OCPP v1.6. Importantly, these solutions are developed internally by PEN.

Since 2020, PEN has played a significant role in the modernisation of Tenaga Nasional Berhad's grid into a smart, automated, and digitally-enabled network. PEN, as one of the selected vendors, has successfully delivered more than 700,000 smart meters to Malaysian households, contributing to the realisation of a robust and intelligent grid that adapts readily to the nation's evolving needs.

PEN actively collaborates with technology partners to implement Distributed Energy Resources ("DER"). These small-scale electricity supplies interconnected to the electric grid include initiatives such as the Hydrogen Self-Recharging Fuel Cells ("SRFC") solution.

The SRFC utilises a combination of solar systems, storage, and fuel-cell technology to provide clean and sustainable power for remote areas round-the-clock. Notably, the SRFC has been deployed in Tapah, Malaysia and New Ireland, Papua New Guinea.

In addition to its role in power transmission systems, PEN extends its services to distribution and transmission networks, offering design and engineering expertise for solutions such as protection and control systems, SCADA, and telecommunications equipment. Substantial investments in research and development have enhanced PEN's portfolio in distribution grids, encompassing air insulated switchgears, gas insulated switchgears, ring main units, and more, all of which are internationally accredited by independent laboratories.

Looking ahead, PEN is committed to further enhancing and developing additional Energy 4.0 applications through collaboration and the transfer of technical knowledge with international partners, reinforcing its position as a leader in the evolving landscape of energy solutions.

Main Business Segments

POWER GENERATION

The Power Generation & Rail Electrification and Signalling segment is led by PESTECH Technology Sdn. Bhd. ("PTE"), established in 2013.

PTE initially focused on providing power plant electrification and automation services for various types of plants, including thermal, hydro, solar farms, and waste-to-energy facilities. The goal was to enhance the efficiency of power generation plants. Over time, PTE has expanded its services, covering power plant control and automation systems, electrification and optimisation, as well as turnkey and engineering, procurement, and commissioning ("EPC") services. The scope of offerings includes both conventional and renewable energy plants, such as hydro and Waste to Energy ("WTE") projects.

Recognising the global shift towards decarbonising electricity generation, PTE is actively enhancing its capabilities to seize opportunities in the WTE market. This includes exploring co-firing possibilities for conventional boilers with blue/green ammonia, biomass, Solid Recovered Fuel, and Refuse-Derived Fuel. Additionally, PTE is venturing into the development of mini or small hydro plant projects, providing full turnkey EPC services.

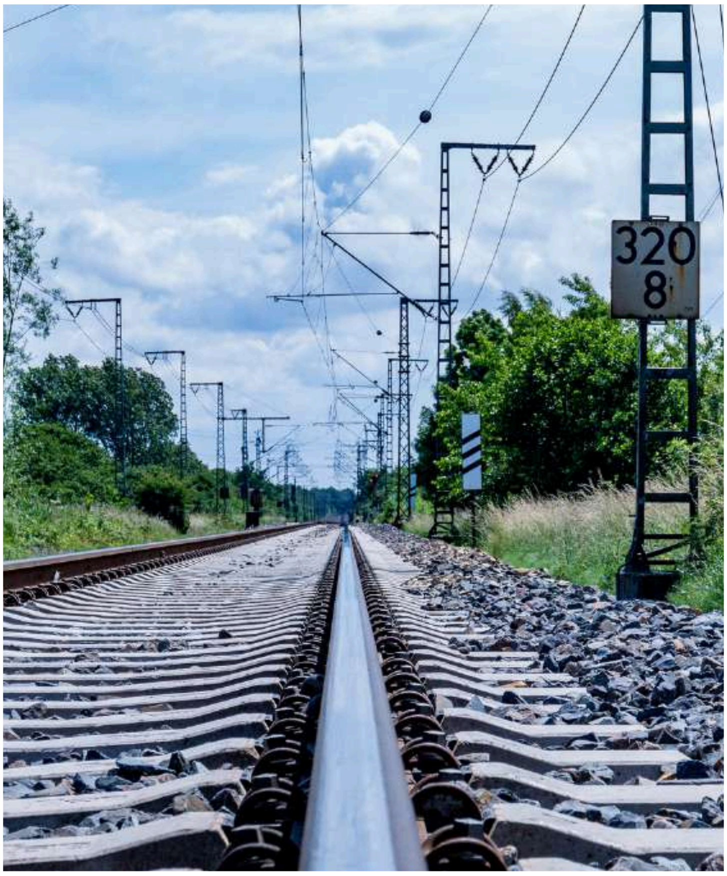
By adapting to industry trends and advancements, PTE positions itself as a key player in the transition towards more sustainable and environmentally friendly electricity generation methods. The strategic focus on both conventional and renewable energy solutions reflects PTE's commitment to meeting the evolving needs of the power generation industry and contributing to global efforts to reduce carbon emissions.

RAIL ELECTRIFICATION AND SIGNALLING

In the rail electrification and signalling segment, PESTECH Technology Sdn. Bhd. ("PTE")'s involvement in the railway sector spans EPC system works for signalling, electrification, and communication. The electrification projects cover overhead catenary systems (OCS), conductor rail and traction power systems (AC & DC), including maintenance works and emergency repairs.

PTE, equipped with a full fleet of plant and machinery for rail electrification, has expanded its portfolio to encompass a full spectrum of system works. PTE has also established power system modeling and simulation capabilities through collaboration with local higher learning institutes.

The rail electrification team initially engaged in repair works for damaged OCS equipment and supported railway operators in normalisation during emergencies and derailments.



The successful execution of some of these projects has significantly bolstered PTE's standing as an EPC contractor for components and subsystems in main rail, urban and intercity networks.

Given Malaysia's commitment to achieving carbon neutrality by 2050, there exists substantial growth potential in rail electrification. This encompasses initiatives such as the replacement of diesel trains with hydrogen-powered or battery-powered systems, the electrification of large-scale Bus Rapid Transit systems and advancements in signalling and communication systems.

Main Business Segments

RAIL ELECTRIFICATION AND SIGNALLING (CONT'D)

Over the time, the team secured large-scale rail projects, including:

1. Mass Rapid Transit 2 ("MRT 2"): Design and build turnkey for power supply and distribution system covering **53km from Sungai Buloh to Putrajaya.**

2. Klang Valley Double Track Electrification ("KDVT") Rehabilitation Project

3. Rapid Transit System ("RTS") Link between Malaysia and Singapore: Design, manufacture, supply, delivery, installation, testing, commissioning, interfacing, warranty, and related works for the traction power supply of RTS link assets.

4. Overall system works for signaling, communication, and electrification for **Subang SkyPark.**

5. Development of an automated people mover **("APM")** aerotrain project and associated works in **Kuala Lumpur International Airport.**

BOARD OF DIRECTORS

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") (formerly known as PESTECH International Berhad) 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 BIN ALI

Chairman

Independent
Non-Executive Director

62 | Male | Malaysian

Date of appointment :
18 December 2024

Tan Sri Dato' Seri Mohd Zuki currently serves as Chairman of the Employees Provident Fund. He is also a Board member of SD Guthrie Berhad, PR1MA Corporation Malaysia and holds the position of Pro-Chancellor of Universiti Kebangsaan Malaysia (UKM) and Universiti Malaysia Terengganu.

Previously, Tan Sri Dato' Seri Mohd Zuki served as the Chairman of MRL Sdn Bhd, Cyberview Sdn Bhd, Sinergi Perdana Sdn Bhd, Razak School of Government, and the Malaysian Institute of Integrity.

Tan Sri 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

DIRECTORS' PROFILES

DATUK SERI (DR) SUBRAMANIAM PILLAI A/L SANKARAN PILLAI

Group Executive Director

Non-Independent Executive Director

54 | Male | Malaysian

Date of appointment : 18 December 2024

Datuk Seri (Dr.) Subramaniam Pillai A/L 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 2024. 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, DMIAs 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 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 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 3 August 2025 which is despatched together with this Annual Report.

Other directorship in public companies and listed companies : Nil

DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR

Group Managing Director

Non-Independent
Executive Director

AGE 67 | 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 evolving 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 3 August 2025 which is despatched together with this Annual Report.

Other directorship in public companies and listed companies : Nil

DIRECTORS' PROFILES

LIM AH HOCK

Non-Independent
Non-Executive Director

73 Male Malaysian

Date of appointment :
18 August 2011

Redesignated from Executive Chairman to Non-Independent Non-Executive Deputy Chairman on 18 December 2024; redesignated from Non-Independent Non-Executive Deputy Chairman to Non-Independent Non-Executive Director on 17 July 2025.

Mr Lim Ah Hock graduated from the University of Strathclyde in Glasgow, United Kingdom with a Bachelor of Science Degree majoring in Mechanical Engineering (First Class Honours) in 1978. He is a Member of the Institution of Engineers, Malaysia ("IEM") since 1981.

He began his career in 1979 as a Lecturer in Ngee Ann Technical College in Singapore (renamed to Ngee Ann Polytechnic in 1982) lecturing in thermodynamics and fluid mechanics. In 1980, he joined Mechmar Kejuruteraan Sdn. Bhd. ("Mechmar") as a Service Engineer where he managed the service division and was involved in the provision of after-sales service and major boiler repairs. Subsequently, he left Mechmar in 1984 and joined Sing Mah Pressure Vessels Co. as a Branch Manager from 1984 to 1989 where he was in charge of the Southern branch's overall sales to the oil palm refineries, food and timber industries as well as other existing industries in Southern Peninsular, Sabah and Sarawak.

In 1989, he became a Director of VESTECH Engineering Sdn. Bhd., a position he holds until today.

In 1991, he set up PESTECH Sdn. Bhd. in Johor Bahru. He was instrumental in charting major corporate development plans, steering macro business growth direction together with the stewardship of the Group Chief Executive Officer, which includes providing management guidance and direction to the Group.

He is the uncle to Mr. Paul Lim Pay Chuan, the Non-Independent Non-Executive Director of the Company. Apart from that, he 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 : Nil

PAUL LIM PAY CHUAN

Non-Independent
Non-Executive Director

55 Male Malaysian

Date of appointment :
18 August 2011

Redesignated from Managing Director and Group Chief Executive Officer to Group Chief Executive Officer on 18 December 2024; redesignated from Group Chief Executive Officer to Non-Independent Non-Executive Director on 17 July 2025.

Paul Lim Pay Chuan graduated from the University of Mississippi, USA with a Bachelor of Science in Electrical Engineering (Summa Cum Laude) in 1993. Subsequently, he obtained his Master of Engineering (Electrical) from Cornell University, USA in 1994. He is currently registered as a Fellow Member of the IEM and a Professional Engineer with the Board of Engineers Malaysia since 2006 and registered as a Professional Engineer with Practising Certificate since 2015 in the field of electrical engineering. Since 2011, he is also a certified Project Management Professional® with the Project Management Institute, a global professional association that certifies project management expertise which is based in the US with regional offices worldwide. He is registered as an ASEAN Chartered Professional Engineer since 2016. In 2017, he was registered under The Asia Pacific Economic Co-Operation Register and The International Register of Professional Engineer and the ASEAN Engineering Register.

In 1994, he began his career with Motorola Malaysia Sdn. Bhd. as a Product Engineer. He then joined Toprank Corporation Sdn. Bhd. (now known as Toshiba Transmission & Distribution Systems Asia Sdn. Bhd.) in 1995 as a Project Engineer, where he was promoted to Project Manager in 1997, and subsequently promoted to Assistant General Manager in 1998, a position he held for two (2) years. In 2000, he joined the Group as a General Manager and was promoted to CEO in 2008.

He has been playing an instrumental role in the growth and development of PESTEC from a small player primarily involved in trading, to an established homegrown integrated electric power technology company in the power transmission and distribution business with operations locally and abroad.

In 2010, he was awarded the Outstanding Entrepreneurship Award 2010 by Enterprise Asia, for his dedication and leadership in guiding the Group to being an important player in the power transmission and distribution business locally and abroad.

He is the nephew of Mr. Lim Ah Hock, the Non-Independent Non-Executive Director and substantial shareholder of the Company. Apart from that, he 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 : Nil

DIRECTORS' PROFILES

HELEN TAN MIANG KIENG

Independent
Non-Executive Director

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

62 Female Malaysian

Date of appointment :
25 November 2021

Ms. Helen Tan graduated from University of Montana with a Bachelor of Science in Business Administration (Financial Management) in 1989. Subsequently, she obtained her Masters of Science in Business Administration (Financial Management) from Oregon State University in 1990.

She is the Regional Director of Equity Broking for Kenanga Investment Bank, a multi award-winning Bank, and which also commands the largest presence in East Malaysia.

Her career in the Equities Market spans over 30 years commencing from her college days, having interned and worked at D.A. Davidson and Company (now known as DADCo), the largest investment firm in the Pacific Northwest based in Montana, USA.

She returned to Malaysia in 1991 and pioneered at Sarawak Securities as one of the inception staff from pre-trading days, being instrumental in spearheading the growth of the company, recruited and trained a marketing force from 8 to 200 remisiers at their peak. She was also responsible for setting up companies and credit policies, and was promoted from Retail Manager to General Manager for both retail and Institutional Investments in the region.

During the course of her career at Kenanga Investment Bank, she is instrumental in initiating an internship program which has since nurtured over 90 students and continuing, playing a contributing role to their learning experience regarding the investing industry.

She 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 : Insights Analytics Berhad

DATO' WEE YIAW HIN @ ONG YIAW HIN

Independent
Non-Executive Director

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

67 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 and does not have any conflict of interest with PESTEC.

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.

DIRECTORS' PROFILES

ROZA SHAHNAZ BINTI OMAR

Independent
Non-Executive Director

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

AGE 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

MASNIZAM BINTI HISHAM

Independent
Non-Executive Director

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

53 Female Malaysian

Date of appointment :
9 July 2025

Puan Masnizam binti Hisham ("Pn. Masnizam") brings with her over 28 years of extensive experience spanning the legal, infrastructure, public transport, and manufacturing sectors. She is presently the Group Chief Executive Officer of My-Sutera Group of Companies, a key player in the textile and garment manufacturing industry. Under her leadership, the company successfully diversified into medical devices and PPE manufacturing.

Previously, she served as the President and Group Chief Executive Officer of Prasarana Malaysia Berhad, a government-owned public transport operator. During her tenure, she led significant operational and project rationalization initiatives which resulted in cost savings of RM175 million within eight months.

Prior to that, she held the position of Chief Executive Officer at Prasarana Integrated Management and Engineering Services Sdn Bhd (PRIME).

Under her leadership, the company operated high-capacity metro system in Saudi Arabia transporting almost two (2) million passengers during Hajj season and secured international training contracts, including for MRT Jakarta.

Puan Masnizam also served as Chief Infrastructure Services Officer of Prasarana Malaysia Berhad from 2014 to 2015, where she oversaw multiple critical departments including procurement, IT, and facilities management, managing over 1,600 personnel.

Puan Masnizam was the Head of Legal and Company Secretary at RapidKL and SPK-Sentosa Corporation Berhad. She was also a practicing lawyer with Messrs. Shearn Delamore & Co.

She holds an LLB (Hons) from Universiti Kebangsaan Malaysia, is 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

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 period from 1 October 2023 to 31 March 2025.

Our Management Team

Manindar Singh Chawla

Deputy Group Chief Executive Officer

59 Male Indian

Date of appointment :
12 Feb 2025

Manindar Singh Chawla has over 30 years of experience in industrial automation and power systems across sectors such as oil & gas, utilities, transportation, and infrastructure. He began his career in India and held key leadership roles at ABB India and ABB Malaysia, including the Head of local business units of power systems and process automation and later Head of Global Operations for ABB's Electrification Solutions Global Business Unit. He also led regional roles at VA Tech for Southeast Asia. After working as an independent Project Management Advisor, he joined Pestec International Berhad in February 2025 as Deputy Group Chief Executive Officer, bringing deep industry expertise and global perspective.

Periasamy Sinnan

Chief Financial Officer

56 Male Malaysian

Date of Appointment :
16 June 2025

Periasamy Sinnan brings with him about 30 years of experience in accounting, controllership, financial and operation management as well as start-up operations. He is an accountant by profession and started his career with an audit firm and later joined a leading local conglomerate where he has held various senior positions.

He is a Fellow of the Association of Chartered Certified Accountants.

Notes:
1. All senior management has no directorship in public listed companies and listed issuers
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.

Ir.Jeevananda Kadiresan

Chief Operating Officer (COO)
PESTECH Technology Sdn Bhd

46 Male Malaysian

Date of appointment :
01 May 2025

Ir. Jeevananda is a Professional Engineer (P.Eng) with over 23 years of experience in electrical and rail infrastructure. He graduated with a B.Eng (Hons) in Electrical (Power) from the University of Northumbria, UK, and is a member of MIEM, ACPE, BEM, P.Tech (Ts), and MIET.

Ir. Jeevananda was appointed as the Chief Operating Officer ("COO") of PESTECH Technology Sdn Bhd ("PTECH"), a wholly-owned subsidiary of PESTEC International Berhad on 1 May 2025 to lead the overall Rail Division.

Prior to joining PTECH, Ir.Jeevananda was with TNB Engineering & Corporation & Mass Rapid Transit-MRT Corporation (Malaysia) from Jan 2002 to April 2025. He served as the Head of Department and Key Business Development in Power Transmission & Distribution (Substation, Lines & Cables) and Rail Systems Industry.

Ng Hock Sin

Senior Vice President
Pestec International Bhd

56 Male Malaysian

Date of Appointment :
25 May 2025

Ng Hock Sin graduated from UTM with a Bachelor of Industrial Science (Honours) majoring in Chemistry. Hock Sin was appointed Head of Sales of Pestec International Bhd(PIB) on 25 May 2025. Prior to joining PIB, he was with Millipore Asia Ltd, ABB Malaysia Sdn. Bhd. Alstom Asia Pacific Sdn. Bhd., GE Malaysia Sdn. Bhd and Voith Turbo Sdn. Bhd. He was mainly involved in Power Generation sector as Head of Department, Key Account Management, Regional Sales Director (APAC) and Country Marketing Manager.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The past financial period has been one of the most demanding period in Pestec's history. A series of operational delays, project cost overrun, and liquidity constraints challenged our resilience and tested the very foundation of our business.

Addressing the Challenges Head-On

The Board of Directors acted decisively to stabilise the company and restore stakeholder confidence. A comprehensive internal review of all ongoing projects was undertaken, alongside the implementation of a more disciplined and accountable project management framework.

We also engaged independent consultants to assess operational inefficiencies and propose restructuring measures and plans. Most significantly, we refreshed our executive leadership team, bringing on board experienced professionals with proven success in turnaround management and deep industry expertise.

These immediate and targeted actions have laid the groundwork for a more stable, focused, and forward-looking operational environment.

A Strategic Inflection Point

The strategic investment by Dhaya Maju Infrastructure (Asia) Sdn Bhd ("DMIA") represents a major turning point for Pestec. Beyond strengthening our balance sheet and easing liquidity constraints, this investment affirms DMIA's confidence in our long-term prospects and strategic direction.

Importantly, this partnership opens up synergistic opportunities in large-scale infrastructure and electrification projects, not only in Malaysia but across Southeast Asia. DMIA's robust execution capabilities and extensive network, complement our strengths and provide a solid platform for robust expansion.

CHAIRMAN'S STATEMENT

Strengthening Governance for the Future

Recognising the role of governance lapses in past challenges, we have undertaken significant reforms to our corporate oversight, streamlining processes and risk management practices:

- Reconstitution of the Audit and Risk Management Committees to ensure independence and deeper scrutiny of management decisions.
- Appointment of new independent Non-Executive Directors with strong backgrounds in Finance, Governance, Legal, and Risk.
- Strengthening of internal audit functions and improved reporting lines for enhanced visibility into operational and compliance risks.
- Implementation of a revised Enterprise Risk Management ("ERM") policy, focusing on project execution, counterparty exposure, and financial sustainability.

These measures are part of a broader shift towards a culture of accountability, transparency, and proactive risk mitigation.

Rebuilding Market Confidence

Restoring investor trust remains one of our highest priorities. In the past six months, PESTEC has:

- Introduced quarterly investor briefings and expanded financial disclosures beyond regulatory requirements.
- Published an Investor Relations ("IR") roadmap outlining recovery milestones and strategic objectives.
- Engaged regularly with analysts, institutional investors, and minority shareholders to ensure clear communication.
- Commissioned independent assessment of our governance practices, with results made publicly available.

These steps reflect our commitment to transparent, ethical business conduct and open engagement with the market.

CHAIRMAN’S STATEMENT

Strategic Priorities for the Next 12–24 Months

With a more stable platform now in place, the Board has identified five strategic priorities to drive recovery and long-term value creation:

1. **Operational Recovery** – Ensure the timely and cost-effective delivery of current projects while restoring profitability across business units.
2. **Balance Sheet Strengthening** – Continue with debt rationalisation and improve overall cash flow management.
3. **Strategic Expansion** – Diversify into high-margin segments, particularly in renewable energy infrastructure and cross-border electrification.
4. **Human Capital Development** – Invest in leadership development and technical training to prepare our workforce for future challenges.
5. **Governance and Compliance** – Fully institutionalise our enhanced governance and risk management practices throughout the organisation.

A Renewed Vision for PESTEC

PESTEC’s future strategy is anchored in innovation, strategic partnerships, and excellence in project execution. We aim to:

- Leverage DMIA’s expertise to expand into large-scale infrastructure projects, including national grid upgrades and interconnecting.
- Enter the renewable energy sector, with a focus on solar transmission, energy storage, and integration with regional decarbonisation efforts.
- Adopt cutting-edge technologies such as digital twin platforms and real-time monitoring to improve project efficiency and mitigate cost overruns.
- Expand our regional footprint, especially in high-growth Southeast Asian markets where electrification demand is accelerating.

Appreciation and Outlook

To our long-standing shareholders, I extend my sincere appreciation for your unwavering support and patience during this turbulent period. Your confidence in PESTEC has been critical to our turnaround efforts.

To new and prospective investors, Pestec today is a revitalised organisation governed with discipline, led with vision, and strategically focused on growth. The challenges of the past year have catalysed meaningful transformation, and we are now entering a new era of stronger governance, operational resilience, and sustainable performance.

We are confident in our direction and committed to delivering long-term value for all stakeholders.

Sincerely,

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

Managing Director's STATEMENT

Resilience. Recovery. Renewal.

Dear Stakeholders,

The turnaround journey that PIB has undertaken over the past few months tested every aspect of our business - our resilience, recovery, renewal and our basic ability to transform in the face of adversity.

When we announced the emergence of a new investor, PIB was at critical points. Burdened by debts and faced with prolonged market uncertainties, our business fundamentals were deteriorating. The urgency for change is imperative and not just financial but the main reason for PIB's existence. Without bold and immediate action, the future of PIB was in doubt.

2025 is a period of rebuilding and reaffirming our core strength. Despite facing liquidity pressure and external headwinds, PESTEC remained focused on delivering critical infrastructure facilities across Malaysia, the Philippines, Cambodia, and beyond.

Under the guidance of the Board, we will reposition the Group as a leaner, stronger, and more focused organisation. The primary areas are to strengthen the Balance Sheet, enhance our capital structure by reducing debt and resolving overdue liabilities through comprehensive schemes of arrangement with creditors.

New management is in place to enhance corporate governance, operational efficiency, effective project execution and management of project & operational costs. The key emphasis is to quickly be returning to profitability by strategising future growth based on our core strengths as solutions providers in Engineering, Procurement, Construction & Commissioning ("EPCC") and Operations & Maintenance ("O&M"), while laying the groundwork for participation in the energy Sector.

As Southeast Asia accelerates its energy transition, PESTEC is well-positioned to support national and regional goals through our proven EPCC expertise, digitalisation capabilities, and sustainable engineering solutions. PIB achieved key project milestones—including Malaysia's first hydrogen-powered rural electrification system and steady progress on major grid and rail works.

With a strong tender pipeline and clear strategic focus, we are moving into FY2026 with renewed confidence and commitment for a long-term value creation.

Thank you for your continued trust.

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).

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.

18 Dec 2024
DMIA subscribed 1.33B Shares

10 March 2025
conditional subscription agreement to subscribe additional 231.79m shares

11 March 2025
Official name change to PESTEC International Berhad

As at Report Date
market cap: RM289 million

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 RM289 million.

FINANCIAL REVIEW

The commentary on the financial statements for the period represents an 18-month financial period ending 31 March 2025 whereas the previous financial period ended was 30 September 2023, a period of 15 months. Although these periods are not comparable, it is imperative nevertheless to provide our shareholders with commentaries to understand the financials being presented in this report.

The Group was able to maintain a similar result during the period under review, demonstrating its underlying efforts and resilience in the face of very challenging economic conditions. Group revenue has slightly declined by 0.2% or RM 1 million from RM592.9 million to RM591.9 million for the financial period ended 31 March 2025. The operating expenses, through cost recognition and containment measures, were lower by RM177.2 million from RM776.4 million to RM599.2 million. The operating loss however has increased by 18% or RM39.7 million due mainly to impairment losses on financial assets of RM256.2 million recognised during the period.

The Group continues to derive significant revenue from the strength of its engineering and construction portfolio of expertise. Revenue for the Substation and Transmission segment contributed RM486.6 million or 82% of the total revenue generated for the financial period. On the same note, this segment recorded 318.4 million or 54% of the total revenue for the financial period ended 30 September 2023.

Managing Director's Statement

Revenue for the Railway and other segments contributed RM105.3 million or 18% of the total revenue generated for the financial period. On the same note, this segment recorded RM274.5 million or 46% of the total revenue for the financial period ended 30 September 2023.The reduction of RM169.1 million in revenue in this segment was due to the completion of major projects in the previous financial period (KLIA Aerotrain, MRT -2 and transmission line in Cambodia).

The overall revenue of the Group for the period under review, reflects the stage of completion of these various projects, with certain projects nearing completion while others are in their early to mid-stages of completion. This dynamic mix of project stages has a direct impact on revenue recognition, which is recognized progressively based on the percentage of work completed.
Apart from the aforesaid, the Loss Before Tax was lower by RM56.3 million as the previous period recorded a loss on disposal of concession assets of RM110.8 million.

The decline in the weighted Earnings per Share was reflected in the current Financial Period, with 0.06 sen gain against a 0.35 sen deficit in FY 2022.

OPERATIONS STRATEGY

In FY2025, PESTEC International Berhad ("PIB Group") demonstrated steadfast operational discipline and resilience, progressing towards recovery and sustainable growth. Amid external headwinds and liquidity constraints early in the year, the Group 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"), and Colas Rail Systems Engineering Sdn Bhd ("CRSE")—the Group continued to reinforce its reputation as a reliable engineering, procurement, construction, and commissioning ("EPCC") partner across the power and rail sectors. Operational milestones achieved this year are a testament to our unwavering commitment to infrastructure development aligned with regional energy transition goals.

A. Project Acquisition and Progress Highlights

1. Grid Infrastructure and Electrification

- **PMU Ayer Tawar Extension, Perak (TNB)**
  Awarded in January 2024, the RM11.0 million project involves in the upgrading of upgrades to 275kV overhead line bays and advanced control systems. As of 31 March 2025, the physical progress has reached 29.97%..

- **Smart Meter Deployment (TNB)**
  Since 2019, PSB has cumulatively secured smart meter contracts worth RM115 million since 2019, reflecting TNB's confidence in our capabilities. In FY2025, an additional RM9.08 million order has been received, covering for the delivery of 41,100 new units.

- **Hydrogen-Powered Electrification System, Sarawak**
  In partnership with Sarawak Energy Berhad ("SEB"), the Group has delivered Malaysia's first green hydrogen-powered electrification system for a village electrification system at Rumah Bangau. The project was successfully commissioned and handed over in December 2024, providing 24/7 power to rural households.

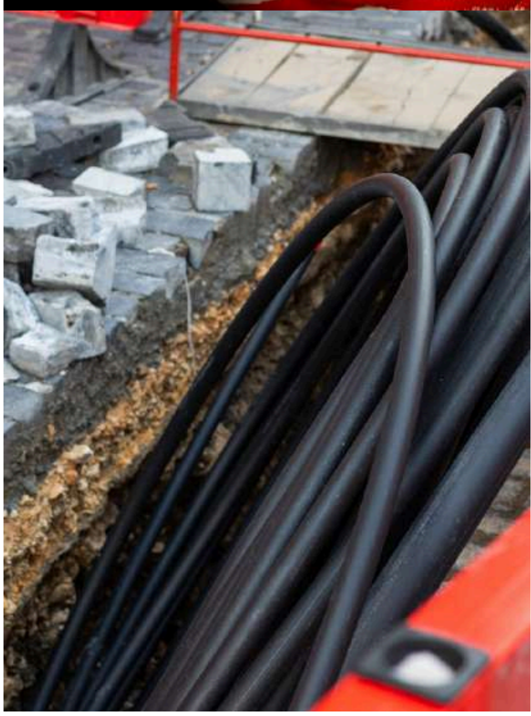
- **KLIA Automated People Mover ("APM")**
  Under a RM175 million contract with Malaysia Airports Holdings Berhad, PTE, in a joint venture with IJM Construction and Alstom, progressed significantly on the APM systems work, underscoring our rail system integration expertise. This APM commenced its operations in July 2025.

2. Power Generation Digitalisation

- **TNB Janamanjung (Unit 1 Turbine Governor System Upgrade)**
  In early 2025, the Group has successfully completed the systems upgrade valued at RM3.47 million involving the upgrading of a 700MW Alstom steam turbine control system, positioning PTE to be selected for future upgrades (Unit 2).

- **Tenom Pangi DCS Rehabilitation (Sabah)**
  A RM7.05 million project from TNB REMACO for Sabah Electricity Board "(SEB"). The scope was for the design, engineering, and commissioning of Distributed Control System ("DCS") for three 25MW hydro units which was completed in Q1 2025.

Managing Director's Statement



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.

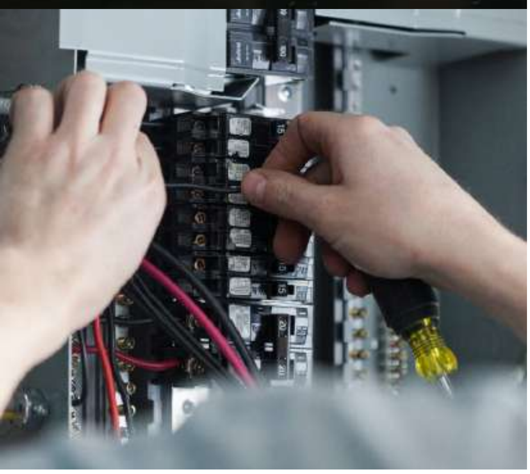
PMU Cahaya Baru
As of 31 March 2025, a 57% completion has been achieved. This project supports industrial growth in Johor's eastern region by ensuring robust transmission capacity meeting future demand.

275kV Underground Cable (Prince Court to Ampang)
The completion rate is 83.82%. The cable route enhances power supply reliability in one of Kuala Lumpur's most densely populated and high-demand corridors.

NUR North and AT&S Substations
Fully energized in February 2025. These substations provide essential infrastructure for high-tech industrial consumers, underscoring PESTEC's contribution to Malaysia's advanced manufacturing sector.

MRT Putrajaya Line (SSP-SY-205)
Completed and handed over following the end of the Defect Liability Period. PESTEC's scope included the traction power supply system, further proving our integrated rail capabilities.

KVDT1 Electrification
Electrification and traction work had been completed for the Klang Valley Double Tracking project Phase 1, contributing to improved rail network efficiency and reliability.



2. Philippines

PESTEC's presence in the Philippines continues to strengthen through high-impact grid expansion contracts with the National Grid Corporation of the Philippines ("NGCP"), reinforcing transmission capacity and grid reliability in key growth regions.

Cebu–Bohol 230kV Interconnection
As of March 2025, the work progress is at 97.91%. This key inter-island project will significantly enhance grid stability and energy sharing between Visayas islands.

South Luzon Substation Upgrading Project (Stage 1)
The upgrading work is underway and has reached 74.33% progress. The project fullfil the increased power demand and ensures power quality in fast-growing urban and industrial centers south of Metro Manila.

Nabas–Caticlan–Boracay 138kV Transmission Line
This project has reached a milestone completion of 66.59%. This line will improve power reliability for Boracay Island, one of the Philippines' top tourist destinations.

South Luzon Upgrading Stage 2 (Schedule III)
The completion progress is 34.24% involved in the expansion of transmission capacity and redundancy in the Luzon region.

3. Papua New Guinea

Port Moresby Urban Distribution System Upgrade
PESTEC executed significant portions of the 11kV distribution upgrade in Port Moresby, reaching 95% completion. The project enhances urban electricity access, reliability, and safety, benefiting residential and commercial users.

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. Once operational, these substations will play a pivotal role in Baghdad's power distribution system, alleviating load constraints and reducing system losses.

Managing Director's Statement

5. Cambodia

PESTEC's long-standing partnership with Electricité du Cambodge ("EDC") has positioned it as a trusted infrastructure delivery partner in the Kingdom, contributing to national electrification and urban development goals.

230kV Stung Tatay Hydropower Plant to Phnom Penh Transmission Line
This high-voltage line strengthens the link between the power generating assets of the south-western region and Phnom Penh's consumption centers. It has reached an 81% completion and is expected to be completed in the fourth quarter of 2025.

Phnom Penh City Transmission and Distribution System Expansion -Underground Distribution Project (Phase 2)
Focused on urban areas, this project improves the safety, aesthetics, and reliability of Phnom Penh's power distribution network. The progress is at 59%.

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 reinforces 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 FP2025 was a period defined by significant external headwinds and internal recalibrations. As we strive to stabilise the Group's financial footing and strengthen operational performance, several key risks and challenges remain central to our journey forward:

1. Geopolitical and Country Risk
PESTEC operates in multiple jurisdictions, including Cambodia, the Philippines, PNG, and Iraq that offer opportunities but are also subject to political, regulatory, and economic volatility. Policy shifts, changes leadership, and geopolitical developments can lead to delays in project implementation and cash flow uncertainties.

2. Foreign Exchange and Liquidity Risk
Exposure to multiple currencies particularly the USD and various local currencies poses a significant risk in terms of cash flow management and earnings volatility. Challenges in repatriating funds or accessing foreign exchange, especially in frontier markets, can strain liquidity.

3. Execution Risk and Operational Complexity

As an EPCU player with active projects across a diverse geographic footprint, PESTEC faces inherent execution risks, ranging from contractor underperformance and supply chain disruptions to climate and logistics challenges.

Execution challenges, including delays in the Philippines and Cambodia, were called out in the MD's message, reinforcing the need to "recalibrate our operational planning and on-ground coordination."

4. Credit and Counterparty Risk

Working with government-linked entities can result in an extended receivable period or uncertainty in payment timelines. These delays can affect project cash flows and strain the Group's financial commitments.

5. Debt and Financial Restructuring Risk

The ongoing Group-wide restructuring process bring risks around stakeholder alignment, refinancing outcomes, and the timing of asset monetisation. A failure to meet financial obligations or secure improved terms could impact going concern assumptions.

6. Talent Retention and Leadership Stability

Organisational transformation and financial uncertainty can lead to talent attrition or leadership turnover. Maintaining a skilled and motivated team during a transition period is both a challenge and a priority.

7. ESG, Compliance, and Reputation Risk

Heightened scrutiny from stakeholders—including financiers, regulators, and communities—demands robust governance, ethical conduct, and sustainability practices. Failure to meet evolving ESG standards could result in reputational damage or exclusion from future tenders.

Conclusion

The Group remains firmly committed to navigating these risks with discipline, transparency, and adaptability. Strengthening governance, deepening risk oversight, and prioritising financial sustainability will be essential as we reposition PESTEC for a long-term recovery and growth.

Managing Director’s Statement

D.FUTURE PROSPECTS AND OPPORTUNITIES

Malaysia and the broader ASEAN region are at a critical juncture in their energy and infrastructure transformation. The Group is strategically positioned to capitalize on these structural shifts, leveraging its end-to-end capabilities in power transmission, substation systems, and rail electrification to support national development goals and regional expansion.

1. National Energy Transition and TNB Capital Investments

Tenaga Nasional Berhad (“TNB”), Malaysia’s leading utility provider, has significantly ramped up its capital expenditure commitment to RM42.9 billion, comprising RM26.6 billion in base capital expenditure and RM16.3 billion in contingent investments. This allocation is aimed at accelerating infrastructure development, particularly in support of Malaysia’s energy transition objectives and grid modernization efforts.

TNB expects electricity demand to rise by up to 4.5% in 2025, aligned with anticipated national economic growth of 4.5% to 5.5% during the same period. This presents substantial opportunities for grid upgrades, substation expansions, and smart meter deployment.

Source: The Edge Malaysia – “TNB doubles budgeted capex to RM42.9b to fast-track infrastructure development”, published May 13, 2025 (link)

2. Malaysia’s Energy Transition and NETR Initiatives

Under the National Energy Transition Roadmap (“NETR”), TNB is spearheading various initiatives to create a more sustainable and digitally integrated energy ecosystem. Key focus areas include:

- **Utility-scale renewable energy**: Expansion of large solar farms in Chenderoh, Kenyir, and Temenggor, including floating solar panels on dam surfaces.
- **Centralised solar parks**: Development of multiple solar parks to enhance national clean energy capacity.
- **Grid modernization**: Digitalization and reinforcement of grid infrastructure to manage variable renewable energy inputs more efficiently.
- **Green hydrogen and ammonia**: Pilot projects in collaboration with PETRONAS to reduce carbon intensity in power generation.
- **Carbon capture and repowering**: Upgrades at key power plants, including the Paka facility, to incorporate low-emission technologies by 2029.

These developments are aligned with TNB’s “Reimagining TNB 2.0” strategy, which aims for net-zero emissions by 2050.

Source: The Star – “Malaysia’s Energy Transformation: TNB Accelerates NETR Projects”, published February 2025 (link)

3. East Malaysia and Regional Power Export Potential

The Government of Sarawak has set a target to increase installed power generation capacity from 10 GW by 2030 to 15 GW by 2035, driven by its ambition to become a regional energy exporter. PIB's involvement in pioneering hydrogen-based rural electrification with Sarawak Energy Berhad at Rumah Bangau exemplifies its potential to contribute to this goal.
Source: The Star – "Sarawak aims to become regional power supplier", published February 24, 2025 (link).

4. Rising Demand for Digital Infrastructure and Grid Reinforcement

Malaysia's digital economy is driving rapid growth in data centre investments. The Malaysia Data Center Market was valued at USD 4.04 billion in 2024, and is projected to reach USD 13.57 billion by 2030, at a CAGR of 22.38%. This surge is expected to significantly increase electricity demand and drive capital investment into grid upgrades, backup power systems, and high-reliability substation infrastructure.
Source: GlobeNewswire – "Malaysia Data Center Market Analysis 2025–2030", published January 28, 2025 (link)

5. Rail Electrification and Urban Transport Development

Malaysia's rail industry is poised for continued growth, supported by government initiatives to promote eco-friendly transportation and reduce carbon emissions. The rail sector is expected to undergo modernization and expansion, with a focus on urban mobility, intercity rail, and electrification.
Source: Malaysian Investment Development Authority (MIDA) – "Overview of the Malaysian Rail Industry", accessed June 2025

PIB remains a key player in this space, offering full turnkey rail electrification solutions, in-house engineering and systems integration, and specialized construction equipment. Ongoing and completed projects such as the Automated People Mover at KLIA, KVDT1, and MRT Putrajaya Line further enhance our credentials in this high-potential segment.

7. Strong Tender Book and Strategic Positioning

As of the reporting period, PIB's tender book stands at approximately RM1 billion, comprising major infrastructure bids in power transmission, substation upgrades, and urban transit systems. The Group remains committed to strengthening its project pipeline and building on its integrated engineering and execution expertise.

In summary, PESTEC is strategically positioned to benefit from Malaysia's accelerated energy transition, infrastructure modernization, and regional power integration efforts. With a strong presence in transmission, electrification, and engineering solutions, the Group is aligned with key national initiatives such as NETR and TNB's grid investments, while also capitalizing on rising demand from the digital economy and regional infrastructure expansion.

Across the ASEAN region, the power infrastructure market remains robust, with increasing demand for reliable electricity and resilient grid systems. PIB is well-established in the Philippines, Cambodia, and Papua New Guinea, and continues to execute strategic transmission and substation projects. The Group's proven track record and local partnerships provide a strong foundation to capture further regional opportunities.

Backed by a robust tender book, proven execution capabilities, and a growing footprint across ASEAN, PESTEC remains confident in its long-term growth trajectory and its ability to deliver sustainable value to stakeholders.

Conclusion

Despite a challenging year, the Group made solid strides in project execution, secured strategic contracts, and laid a robust foundation for future growth. With enhanced liquidity, strong market demand, and active participation in energy transition initiatives, PESTEC remains optimistic for a year of recovery and expansion. With a diverse project portfolio, regional presence, and technical capabilities, the Group is optimistic about achieving sustainable growth while supporting national and regional development agendas.

Sustainability Statement

INTRODUCTION

Purpose of the sustainability statement

The purpose of this statement is to outline our Company commitment to Environmental, Social and Governance ("ESG") practice. It focuses on providing information on how our Company plans to address sustainability issues and integrate sustainable practices into our operations, typically includes information about the company's goals, strategies, and action related to reducing environmental impact, promoting social responsibility, and ensuring ethical governance.

Scope and boundaries of the report

The scope of our sustainability statement covers all operational activities within PESTEC International Berhad and its five subsidiaries operating projects in Malaysia and Cambodia. It addresses the material ESG issues that may arise from the principal business activities within these regions.

HV and EHV Electrical System

- PESTECH Sdn. Bhd.

Transmission Line and Power Cables

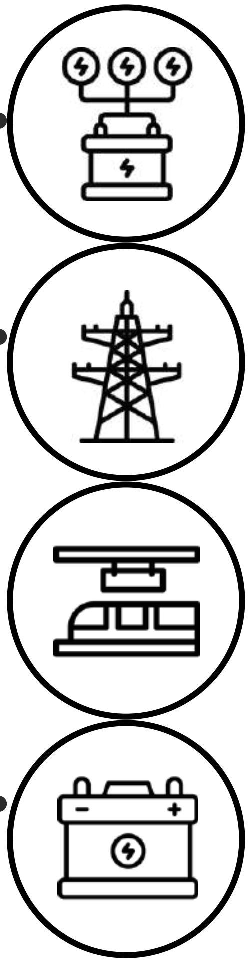
- PESTEC (Cambodia) PLC, Cambodia
- PESTECH Transmission Sdn. Bhd.

Power Generation and Rail Electrification and Signalling

- PESTECH Technology Sdn. Bhd.

Power Products and Grid

- PESTECH Energy Sdn. Bhd.



However, this report excludes dormant subsidiaries, special purpose vehicles, and investment holding companies. The scope of our sustainability efforts will be extended in the future to include any business operations that may have a significant impact on sustainability.

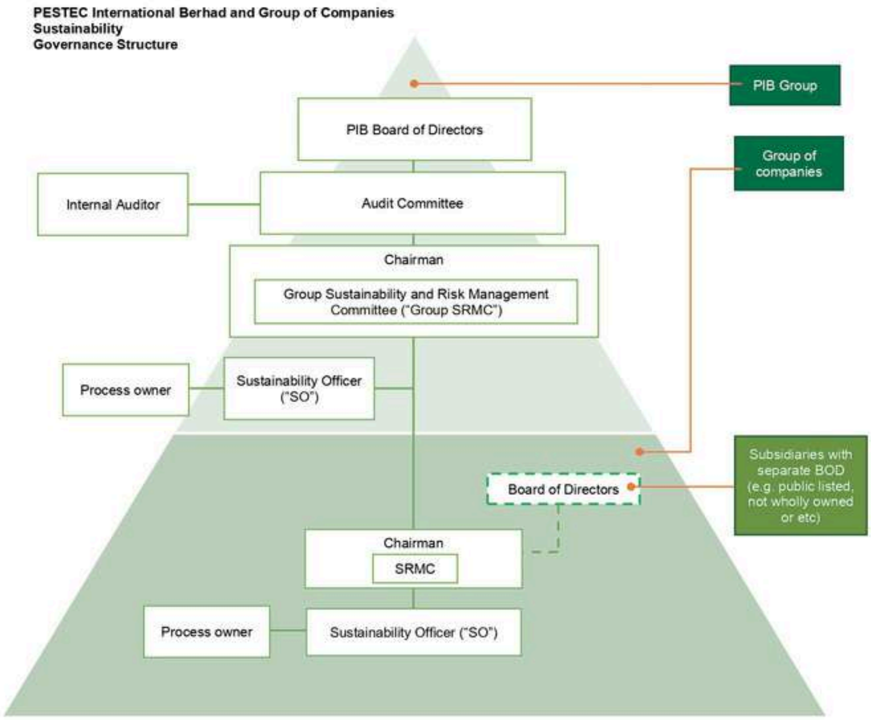
Reporting Period

The reporting period for this sustainability statement covers the financial period from 1 Oct 2023 to 31 March 2025 ("FP 2025")

SUSTAINABILITY GOVERNANCE

Governance Structure and Leadership

PIB Group recognizes the importance of responsible environmental stewardship, social responsibility, and ethical governance. We are committed towards contributing to sustainability agenda within our operations by setting goals and adopting programs that work towards fulfilling sustainable economic development.



Roles and Responsibilities

Board Oversight

The **Board of Directors ("BOD")** is pivotal in driving our organization's sustainability strategy, ensuring that environmental, social and governance ("ESG") principles are integrated into our business operations and long-term goals. The BOD's primary responsibilities include:

- Set the overall sustainability vision and strategy
- Approve major sustainability policies and initiatives
- Review and approve sustainability disclosure

To effectively support the BOD in these tasks, the Audit Committee has been assigned to oversee the implementation of sustainability initiatives and review related reports. The Audit Committee's responsibilities involve:

- Monitor and evaluate the effectiveness of sustainability efforts
- Review and approve sustainability reporting
- Ensure compliance with regulatory requirements and standards.

Sustainability Statement

Management's role

The Group Sustainability and Risk Management Committee ("SRMC"), comprising the senior management, is responsible for the implementation and operational management of sustainability initiatives across the organization. The Group SRMC's responsibilities include:

- Implement sustainability strategies and initiatives across the organization
- Provide guidance and support to subsidiaries and ensure cohesive action on sustainability
- Monitor progress against sustainability goals and objectives

The subsidiaries SRMC oversees the application of sustainability practices at the subsidiary level, ensuring that local operations align with the group's overall sustainability objectives. They are responsible to:

- Implement and adapt sustainability policies at the subsidiary level
- Ensure local operations align with the group's sustainability objectives
- Monitor and report on subsidiary-level sustainability performance

<u>Frameworks and Policies Guiding Sustainability Efforts</u>

Our sustainability efforts are guided by a comprehensive set of policies which outlines our commitment to integrating environment, social, and governance considerations into all aspects of our operations. This policy is supported by specific guidelines, such as our environmental sustainability policies, which specify our goal to practicing environmental conservation through the responsible use of natural resources, including water, forests, fossil fuels; our Human Rights Policy, which emphasizes diversity and inclusive workplace; and our corporate social responsibility programs – CARE – which is based on the belief that progress is achieved through active involvement in the community and with its people. Together, these policies form the foundation of our sustainability strategy, driving continuous improvement and accountability.

In addition to our internal policies, we align ourselves with globally recognized frameworks that provide standardized approaches for sustainability reporting and performance assessment. By integrating our efforts with the United Nations Sustainability Development Goals ("UNSDG"), we are dedicated to addressing key global challenges and contributing to the broader objectives of sustainable development. Our commitment to adhering to Global Reporting Initiative ("GRI") standards ensures comprehensive and transparent disclosure of our environmental, social, and economic impacts.

The sustainability report has been prepared in accordance with Appendix 9C Part A (29) and Practice Note 9 of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad, as well as the Sustainability Reporting Guide and Toolkits issued by Bursa Securities. By leveraging these frameworks, we enhance our ability to track progress, meet regulatory requirements, and make a positive contribution to global sustainability goals.

MATERIALITY ASSESSMENT

Methodology for Materiality Assessment

At PESTEC International Berhad, we are dedicated in identifying and addressing key sustainability matters that align with our strategic objectives and stakeholder interests.

To ensure a comprehensive understanding of sustainability issues, we conduct a materiality assessment, a crucial process that identifies and prioritizes the most significant environmental, social and economic issues relevant to our stakeholders and business operations.

Our materiality assessment process is as below:-

1

Identification of Key Stakeholders
Identification of key stakeholders by nature of industry for each business entity, degree of influence by the stakeholder group and interests or involvement of the stakeholder group.

2

Identification of Key Sustainability Matters and Stakeholder Engagement Analysis
The assessment of materiality on sustainability matters, mainly undertaken through the outcome of stakeholders' engagement, by taking into account our business model and strategy, products and services offered by each business entity, size of the organization, degree of influence by stakeholder group, geographical presence/ location of the business entity, risk impact (including financial and non-financial) and the likelihood therefrom and to ensure all these matters are aligned to the Group's Enterprise Risk Management methodology and risk appetite.

3

Data Collection Procedures
Mapping the identified key sustainability matters to the specific topic standards under the GRI and/or SDGs.

4

Measurement Methodology
Compare the performance over time and the baseline point data source must be verified and validated.

Sustainability Statement

IDENTIFICATION OF KEY STAKEHOLDERS AND STAKEHOLDERS ENGAGEMENT

Our commitment to sustainability is reinforced through the Group's continuous stakeholder engagement which is primarily the way forward to understand and address key issues. The Group utilises a range of method to engage with the stakeholders. While some engagement sessions may not be specifically focused on Environmental, Social, and Governance ("ESG") matters, these interactions however remain a critical component of the Group's overall strategy. The Group takes into consideration the input from diverse group of stakeholders, including shareholders, investors, employees, customers, suppliers, local authorities and local communities, to ensure that the sustainability initiatives meet their respective expectations.

Employees	Customers	Suppliers
How did we engage? • One-to-one engagement • Meetings and briefings • Newsletters • Social media • Sporting events and activities • Training sessions • Webinars • Employee performance appraisal	***How did we engage?*** • Customer Satisfaction Survey • Meetings and briefings • Company's website • Site visits	***How did we engage?*** • Engagement with suppliers • Factory visit and meetings
Key topics covered • Employee benefits • Well-being and workplace culture • Health and safety of employees • Talent and skills development • Employee satisfaction	***Key topics covered*** • Products and services reliability /quality • New technologies • Customer support	***Key topics covered*** • Collaboration for business opportunities • Contract negotiation • Procurement processes • Fraud and bribery awareness • New business opportunities and future development • Regulatory and operational compliance
Shareholders/Investors	**Local Authorities / Regulators / Government agencies**	**Local Communities**
How did we engage? • Annual /extraordinary general meetings • Financial results briefings • Bursa Malaysia announcements • Corporate website • Social Media • Press releases	***How did we engage?*** • Meetings and briefings • Site visits • One-to-one engagement	***How did we engage?*** • Participation in community projects and activities
Key topics covered • Financial sustainability and returns • Business prospects • Investment plans • Corporate exercises	***Key topics covered*** • Changes in the regulatory framework and electricity industry • Environmental, health, and safety management • Promotion of joint industry programs	***Key topics covered*** • Contribution for victims suffered from natural disasters • Accessible and reliable supply of electricity • Contribution to community development

To evaluate the significance and influence of sustainability matters, the Group utilises a Materiality Matrix. This tool helps us prioritize issues based on their importance to our organization and their impact on stakeholder decisions.

Our SRMC thresholds within the Materiality Matrix is set to identify those matters that are deemed material. Those categorized as having high materiality are considered vital to our long-term business value and stakeholder interests, guiding our management and reporting efforts.

Prioritized Issues

In our sustainability efforts, we have prioritized the following key issues: anti-corruption, employment, customer privacy, economic performance, and market presence. These areas are essential for fostering a responsible and sustainable business model that aligns with our values and stakeholder expectations.

Common Sustainability Matters with the Indicator Listed

The following table highlights our sustainability targets/ focus area determined by the Group:

Sustainability Pillars	GRI Standards Material Topic	Sustainability Targets/ focus area	Frequency of data collection
Environmental			
Environmental (Energy Management)	GRI 302-1 Energy consumption within the organization	- To track total net energy usage from office to project sites - To track solar power energy generated at office and project sites	Monthly
Environmental (Energy Management)	GRI 302-4 Reduction of Energy Consumption	To improve the energy efficiency of 2% energy annually	Monthly
Environmental (Pollution Prevention)	GRI 303 Water and Effluents 2018 GRI 305 Emissions 2016 GRI 306 Waste 2020	- To achieve zero case of non-compliance to environmental regulation - To achieve zero environmental accidents at office and project work site (air/ water/ soil/ schedule waste etc)	Monthly
Environmental (Water Security)	GRI 303-5 Water Consumption	To track total volume of water used in office and project sites	Monthly

Sustainability Statement

Sustainability Pillars	GRI Standards Material Topic	Sustainability Targets/ focus area	Frequency of data collection
Environmental			
Environmental (Climate Change)	GRI 305: Emissions 2016 GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-5 Reduction of GHG emissions	To track total carbon emission for Scope 1, 2 and 3 across the operations	Monthly
Environmental (Waste Management)	GRI 306-5 Waste directed to disposal GRI 306-4 Waste diverted from disposal	To track the total scheduled waste generated with a breakdown of the following: - a) total waste diverted from disposal b) total waste directed to disposal	Monthly
Economic			
Economic	GRI201-1 Direct Economic Value Generated and Distributed	To track economic value generated, economic value distributed	Monthly
Social			
Social (Community Relation)	GRI 2-16 Communication of critical concerns	To implement log book, track number of office and site complaints or concerns by local community and its case status	Monthly
Social (Diversity)	GRI 2-27 Compliance with laws and regulations	To maintain at least 30% female at Board level	Yearly
Social (Diversity)	GRI 405-1 Diversity of governance bodies and employees	To track full-time employee's gender and age ratio	Yearly

Sustainability Pillars	GRI Standards Material Topic	Sustainability Targets/ focus area	Frequency of data collection
Social			
Social (Supply Chain Management)	GRI 204-1 Proportion of spending on local suppliers	To track the proportion of spending on local suppliers	Yearly
Social (Supply Chain Management)	GRI 414-1 New suppliers that were screened using social criteria	To achieve 100% Integrity Pledge signed by supplier/ contractors and acknowledged from procurement	Yearly
Social (Occupational Health and Safety)	GRI 403-5 Worker training on occupational health and safety	To track number of employees trained for any occupational health and safety training including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations	Yearly
Social (Occupational Health and Safety)	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	To track number of client penalty/ corrective action/ yellow cards/ complain reduction and its status	Monthly
Social (Occupational Health and Safety)	GRI 403-9 Work-related injuries	To achieve zero reportable accident in office and project work site	Monthly
Social (Community Relation)	GRI 203-1 Infrastructure investments and services supported	To track total amount invested in the community where the target beneficiaries are external to the listed issuer	Yearly
Governance			
Governance (Anti-Corruption)	GRI 205-1 Operations Assessed for Risks Related to Corruption	To track the percentage of Operations assessed for corrupted-related risks	Half-Yearly
Governance (Anti-Corruption)	GRI 205-2 Communication and Training about anti-corruption policies and procedures	To achieve 100% ABAC awareness annual training for all new joiners and Board of Directors	Yearly
Governance (Anti-Corruption)	GRI 205-3 Confirmed Incidents of Corruption and Action Taken	To track number of confirmed incidents of corruption and action taken	Yearly

Sustainability Statement

Sustainability Pillars	GRI Standards Material Topic	Sustainability Targets/ focus area	Frequency of data collection
Governance			
Governance (Customer Privacy)	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	- To achieve zero number of complaints concerning breaches of customer privacy and losses of customer data. - To track staff security awareness level via annual testing and training	Yearly
Governance (Labor)	GRI 401-1 New employee hires and employee turnover	To track total number of employee turnover by category	Yearly
Governance (Labor)	GRI 404-1 Average hours of training per year per employee	To track number of training hours	Yearly
Governance (Labor)	GRI 2-7 Employees	Percentage of employees that are contractors or temporary staff	Yearly
Governance (Human Rights)	GRI 2-23 Policy Commitments (2-23-b-i)	Number of substantiated complaints concerning human rights violation	Yearly
Governance (Risk Management)	GRI 2-24 Embedding policy commitments	To review Risk Register Reports for each business units	Yearly
Governance (Tax Transparency)	GRI 207-2 Tax governance, control, and risk management	Tax tracker updated on a timely manner and to achieve on time submission and zero penalty	Yearly

CHANGES IN MATERIAL ISSUES FROM PREVIOUS REPORTS

To ensure that our sustainability efforts remain aligned with stakeholder concerns and business priorities, we regularly update our materiality matrix. Below, we present a comparison of our materiality matrices from five years ago and the most recent assessment.

Historical materiality matrix

Figure 1 shows PESTEC Materiality Matrix

Current materiality matrix

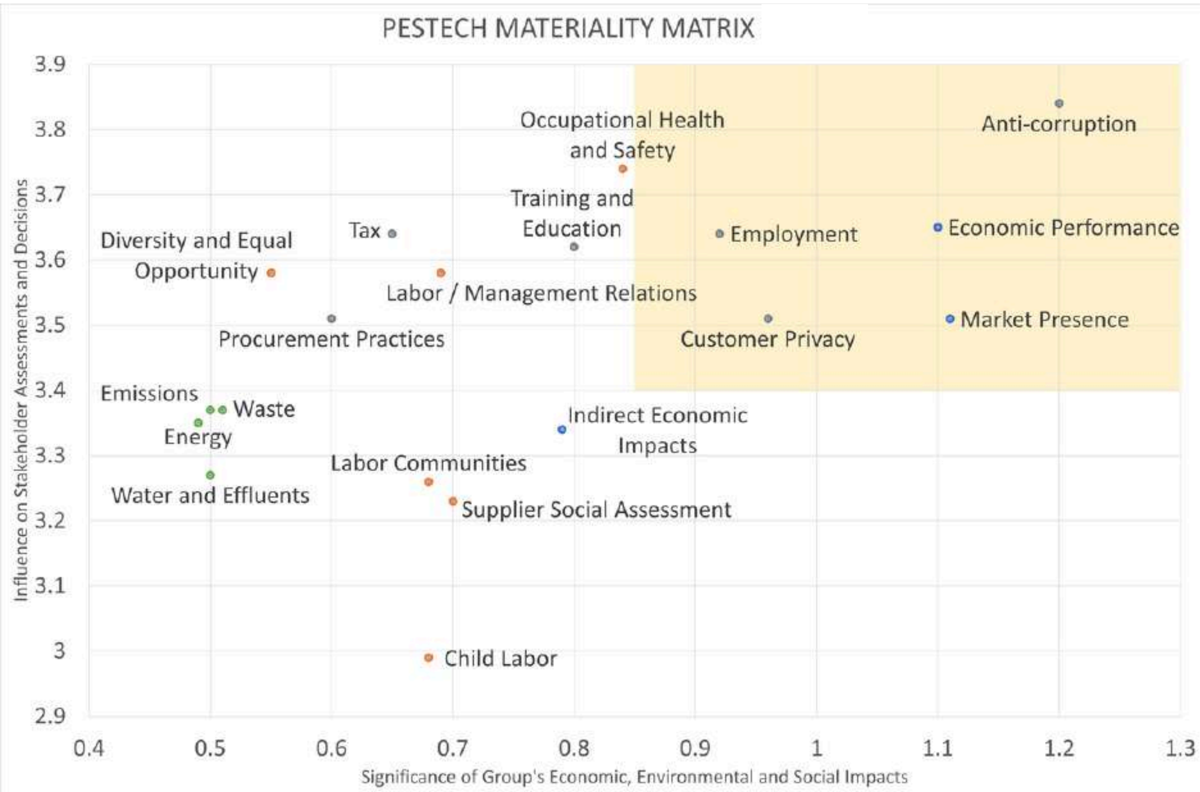


Figure 2 shows PESTEC Materiality Matrix

Sustainability Statement

The refinement of PESTEC's materiality matrix reflects our evolving understanding of stakeholder expectations, global sustainability trends, and the practical realities of our operational environment. As we continue to strengthen alignment with international standards such as the GRI, we have prioritized issues that present the most significant risks, opportunities, and stakeholder relevance in the current context.

Emerging topics such as Customer Privacy, Employment, Tax, and Child Labour have gained prominence due to shifts in the regulatory landscape, technological advancement, and global expectations around ethical business conduct. Their inclusion reinforces PESTEC's proactive approach to sustainability, emphasizing transparency, human rights, and workforce resilience.

Conversely, some previously monitored topics—such as customer satisfaction, product quality, and risk management—remain important but are now managed through embedded processes. Their transition out of the standalone matrix enables a sharper focus on issues with rapidly evolving external scrutiny, while still maintaining strong internal oversight and accountability.

Looking ahead, PESTEC will continue to refine and enhance our sustainability priorities in response to stakeholder feedback, regulatory developments, and emerging global risks. Our materiality matrix will be reviewed regularly to ensure it remains dynamic and reflective of the most relevant environmental, social, and governance ("ESG") concerns.

By focusing on the issues of highest current significance and integrating others into operational excellence, we aim to build a more resilient, ethical, and forward-thinking organization. This focused approach will guide our strategy, shape our disclosures, and help drive long-term value creation for all stakeholders.

We remain committed to continuous improvement and transparency, ensuring that our sustainability strategy evolves in line with our responsibilities as a purpose-driven infrastructure solutions provider.

<u>Analysis of changes:</u>

Increased importance

Customer Privacy

With the growing reliance on digital platforms, customer privacy has taken on heightened importance within PESTEC's sustainability priorities.

As online interactions increase, so do the risks to sensitive customer data—making robust data protection practices more essential than ever.

At PESTEC, customer privacy goes far beyond basic contact details. In the context of power infrastructure projects, it encompasses supplier and subcontractor data, project specifications, financial information, operational insights, and intellectual property. Safeguarding this information is vital to building and maintaining client trust.

Given the long-term nature of many projects, protecting customer data is not just a legal obligation—it's a strategic approach to fostering strong, enduring partnerships and encouraging continued collaboration.

By enhancing its data protection framework, PESTEC reinforces its commitment to transparency, accountability, and long-term stakeholder relationships. This emphasis on privacy plays a central role in ensuring sustainable and ethical business practices.

Employment

In response to several years of external operational and economic instability, employment has become a strategic focus in PESTEC's sustainability agenda.

High turnover in the past has created a need to rebuild the workforce, recognizing that a resilient, engaged, and stable team is essential for long-term recovery and success.

This renewed focus aims to strengthen internal capabilities and foster a motivated, adaptable workforce that can effectively support the company through future challenges. By prioritizing job security, inclusivity, and meaningful career development opportunities, PESTEC is not only fostering organizational stability but also laying a strong foundation for sustainable performance and growth.

Through continued support for self-development and internal career progression, PESTEC is cultivating a strong company culture that aligns individual growth with business resilience—ensuring that people remain at the heart of its long-term vision.

Decreased importance

Occupational Health and Safety

While occupational health and safety (OHS) remains a fundamental priority at PESTEC, the company has reached a level of maturity in its health and safety practices through years of robust implementation.

With compliance to regulations now routine and foundational issues well-addressed, the focus has shifted toward integrating broader sustainability initiatives that address emerging challenges.

This shift does not diminish PESTEC's commitment to health and safety; rather, it reflects a proactive approach to creating a more comprehensive sustainability strategy. By broadening the scope of sustainability efforts to include not just OHS but also environmental responsibility and broader employee well-being, PESTEC is ensuring that all aspects of its workforce and operations are supported for long-term success.

As the company continues to prioritize the well-being of its employees, the focus on OHS now serves as a foundational element within the broader sustainability framework, rather than being the central driver of strategy.

Indirect Economic Impacts

While indirect economic impacts, such as contributions to local economies, supply chain effects, and community investments, were once key elements of PESTEC's sustainability strategy, they have become less emphasized in our recent materiality assessments. This shift reflects a strategic evolution in which internal priorities have taken a more central role in shaping the company's sustainability focus.

As PESTEC continues to evolve its approach to sustainability, greater attention is now being placed on factors such as employee well-being, environmental responsibility, and operational resilience—areas that are viewed as more directly relevant to the company's long-term performance and the immediate needs of our workforce. These evolving priorities have naturally led to a reduced focus on the more indirect economic contributions, which, while important, are now seen as secondary to the more pressing issues at hand.

Despite this shift, indirect economic impacts remain an important consideration within our broader sustainability framework. PESTEC continues to monitor these impacts as part of our commitment to sustainable business practices. Going forward, we will seek to ensure that our approach to sustainability reflects a balanced perspective, addressing both immediate operational needs and the broader economic and social contributions we make.

Newly identified issues

Tax

The addition of tax as a material topic reflects PESTEC's continued alignment with global sustainability reporting standards, particularly the GRI framework.

As part of our commitment to transparency and responsible corporate behavior, we recognize that tax plays a critical role in contributing to public services and supporting the economies in which we operate.

Although PESTEC has always maintained responsible and compliant tax practices, its formal inclusion in the materiality matrix reinforces our accountability to stakeholders and our support for transparent value distribution. This move reflects a broader industry expectation for companies to disclose their tax strategies and contributions as part of good governance and ethical business conduct.

Child Labour

Child labor has been formally added to the materiality matrix to align with international standards, including the GRI framework, and to strengthen our stance on human rights within the value chain. While PESTEC has always upheld strict policies against child labor, this recognition emphasizes our proactive approach to ethical sourcing and supply chain due diligence.

By including this topic, we reaffirm our commitment to the protection of human rights and the prevention of exploitation at every level of our operations and partnerships. This step also supports greater transparency in how we assess and manage social risks, ensuring we remain aligned with global expectations and best practices.

Sustainability Statement

Topics Refined in Materiality Monitoring

As part of a strategic refinement of our sustainability materiality matrix—and in alignment with global reporting frameworks—several topics previously monitored as standalone issues have been integrated into broader governance and operational frameworks.

These topics include:
- Business behavior
- Customer satisfaction
- Product quality and safety
- Risk management
- Innovation
- Biodiversity
- Air quality
- Transportation
- Rights of local communities
- Grievance mechanisms (working practices and environmental)

These areas remain relevant to PESTEC's operations and are well-embedded within our internal systems. They continue to be actively managed through routine operations and quality assurance processes. Their removal from the standalone materiality matrix reflects a more focused disclosure approach—prioritizing topics with the most dynamic external expectations, risks, and stakeholder impact.

PESTEC remains committed to revisiting these topics in future reviews and will disclose them as material when appropriate or required by regulation or stakeholder engagement.

Change of terms use

- "Community relation/ CSR" change to "Local Community"
- "Compliance" change to "Anti-Corruption"
- "Employee engagement" change to "Labor/ Management Relations"
- "Employee welfare" change to "Employment"
- "Governance" change to "Anti-Corruption"
- "Health and Safety at the Workplace" change to "Occupational Health and Safety"
- "Procurement Practices / Material Sourcing" change to "Procurement Practices"
- "Supply Chain Management" change to "Supplier Social Assessment"
- "Waste & Hazardous Material Management" change to "Waste"
- "Water Management" change to "Water and Effluents"

ENVIRONMENTAL PERFORMANCE

Climate Change and Carbon Emissions

Carbon Footprint

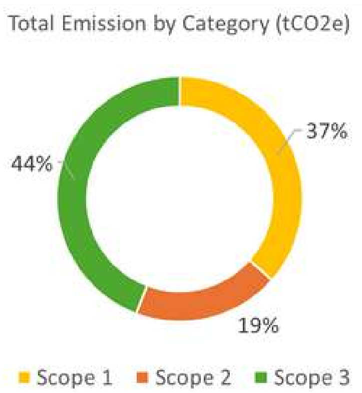
The emission of carbon dioxide (CO_2) and other greenhouse gases are a primary driver of climate change. PESTEC acknowledges that our energy consumption and GHG emissions contribute to climate change impact and it is very important as a responsible corporate citizen to reduce carbon footprint. We embarked to track and monitor the emissions based on the following scopes:-

01 Direct emissions (from the burning of fuel and fugitive emissions e.g., stationery combustion, mobile combustion and fugitive emissions)

02 Indirect emissions (from the use of electricity e.g., purchased electricity)

03 Other indirect emissions (sources not controlled by the company e.g., Cat 5 waste generated in operations, Cat 6 business travel (vehicle fuel, public transport – air and others)).

During FP2025, PESTEC has recorded a total of 1,497.37 tons of Carbon Dioxide equivalent (“tCO2e”), with the breakdown as follows:-



As part of our commitment to reduce our environment footprints, we focus on creating awareness and fostering a sense of purpose among employees in minimizing emissions – recognizing that employee engagement is one of the most effective drivers of impact. To support this initiative, the SRMC organized training titled “Sustainability Awareness, Why now, Why it matters”, led by a qualified trainer.

Environmental Performance

The session equipped participants, including the appointed Sustainability Officer, with a deeper understanding of sustainability priorities and the knowledge needed to support the management and reporting of sustainability targets and performance. In addition, key staff attended a Greenhouse Gas (GHG) Inventory and Reporting course to further strengthen our internal capabilities in emissions tracking and reporting.

1. *Our calculation methodology is based on the Greenhouse Gas (GHG) Emissions Calculator version 01.3 published by UNFCCC secretariat in May 2021, and https://www.icao.int/environmental-protection/Carbonoffset/Pages/default.aspx*
2. *The GHG emissions data for Scope 1,2 & 3 has been internally reviewed. We will undertake independent assurance for all our GHG emissions data (Scope 1,2 &3) in the future.*

Energy Consumption and efficiency initiatives

PESTEC adopts energy efficiency measures within our offices, project sites, workshops and other premises in managing energy consumption to promote sustainable operations and efficient use of energy resources, such as the following:-

- Installation of energy saving Light-Emitting Diodes ("LEDs") bulbs for internal office lighting
- Plan the usage and movement of heavy machineries to generate savings on energy consumption
- Installation of motion sensors in the office common areas to reduce energy use and cost
- Switch off lights and other office equipment during lunch hour and before leaving the office
- Installation of solar lights for building perimeter lighting as well as at the project sites
- Unplug equipment that drains energy when they are not in use
- Maximize the entry of natural light in office building

In the meantime, we continue to explore alternative methods to conserve energy, reduce the carbon footprint and to be more energy efficient in our operations.

During the Financial Period, the net energy usage is 792,506 kWh.

	FP Ended 31 Mar 2025	FP 2023
MWh	792.506	647.192

To demonstrate our commitment towards driving green initiatives sustainably, PESTEC initiated its own installation of PV system at its office and factory rooftop under the Net Energy Metering ("**NEM**") 3.0. The 114kWp rooftop solar PV system installed at our head office in Shah Alam captures the light energy emitted by the sun and convert it into electrical energy producing clean, eco-friendly form of energy.

Renewable Energy Usage

Head Office

	FP Ended 31 Mar 2025	FP 2023	FY 2022
Total mWh usage	251.356	227.003	199.374
% of solar generation	75.9	75.17	73.88

Sustainability Statement

The 189kWp rooftop solar installed at Bukit Beruntung's factory generated green energy for the factory usage as below:-

Bukit Beruntung

	FP Ended 31 Mar 2025	FP 2023
Total mWh usage	202.073	487.116
% of solar generation	143%	54.09%

We relocated operations from Bukit Beruntung facility in July 2024, which led to a significantly reduced energy consumption during the financial period. This is reflected in the lower total mWh usage for FP 2024 compared to previous years. The factory was operating at limited capacity for a portion of the reporting period, thereby reducing its overall electricity demand, which resulted in a solar generation percentage exceeding 100%.

Resources Management

Water Usage and Conservation

We address water security in our operations and work towards promoting sustainable water usage, minimise operational water usage, protect water resources and avoid water contamination.

The water usage gathered from the several project sites and offices and compliance to environmental regulations are as follows:-

	FP Ended 31 Mar 2025	FP 2023
Water usage (m3)	10,333.50	9945.24
Environmental compliance	Complied	Complied

We monitor our water usage and security to ensure relevant processes and procedures are in place to prevent pollution and contamination of water in the environment we are operating.

Waste Management and Recycling

Recyclable wastes

PESTEC practices three R's – reduce, reuse and recycle of waste to help save landfill space through the effective use of resources and materials. In FP 2025, we have recorded a total of 2,693.50 kg waste materials sent for recycling which included paper, plastic, metal, wires/cables and etc.

	FP Ended 31 Mar 2025	FP 2023	FY 2022
Recyclable wastes (kg)	2,693.50	2,086.50	3411

This year, recyclable waste increased due to the relocation of operations from our Bukit Beruntung facility to the operating facility at Shah Alam, which generated additional recyclable materials during the transition.

Environmental Compliance

PESTEC is committed to support the principles of environmental sustainability and we believe that sustainable environment is a successful factor to our business and the customer we serve. We always seek continual improvement throughout our business operations to lessen the impact on the local and global environment by meeting or exceeding the environmental regulatory requirements. Since 2014, the group main operating subsidiaries has adopted Environmental Management System in accordance with ISO 14001 and practice environmental protection through programs that are aimed at reducing the risks to the environment from contaminants such as hazardous materials and wastes.

In FP 2025, we continue to observe the compliance to the environmental regulatory requirements in areas which we operate, together with our sub-contractors and other vendors. Again, we have recorded zero case of non-compliance to environment regulation and zero case of environmental accidents in this year and we will continue to ensure the environmental risk is contained to acceptable levels, and applied to all aspects of our operation in a structured process.

	FP Ended 31 Mar 2025	FP 2023	FY 2022
Non-compliance to environment regulation	0	0	0
Environmental Accidents	0	0	0

SOCIAL PERFORMANCE

Workplace and Employee Well-being

Employee Health and Safety

Workplace health and safety is very important for the well-being of both employees and employers because human loss is immeasurable and intolerable. Since 2010, the Group main operating subsidiaries has adopted Occupational Health and Safety Management System in accordance with OHSAS 18001 and ISO 45001. We believe occupational health and safety is everyone's responsibility and the practice of it needs to grow as a value and become a habit in everyone's life to make sure we do not put ourselves, colleagues, contractors, customers or the public at unnecessary risk, so we can go home safe and well every day.

During the financial period, we remained committed to implementing safety measures aimed at preventing work-related injuries and ill-health. Unfortunately, we recorded one fatality at the Klang Valley Double Track ("KVDT") project site, which was executed by PESTECH Technology Sdn Bhd. The Department of Occupational Safety and Health has completed its investigation into the incident. Following this incident, the manhour count for our KVDT project was reset to zero.

We deeply regret this tragic loss, which serves as a solemn reminder of the critical importance of our commitment to occupational health and safety. In response, a thorough internal review was conducted, and enhanced safety measures have been implemented to prevent similar incidents in the future. We remain steadfast in our goal in ensuring a safe and healthy working environment for all.

	FP Ended 31 Mar 2025	FP 2023	FY 2022
Number of fatalities	1	0	0

PESTEC's Safety and Health department together with Safety and Health committees continue to promote awareness and structured training at workplace to embed occupational health and safety considerations into business decision making at all levels. In FP 2025, a total of 129 employees were trained/re-trained in various training/ briefing for health and safety standard.

Training Program held in the Financial Period:

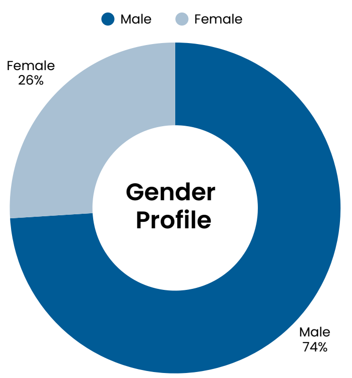
01	Integrated Management System ("QHSE") awareness training	**02**	QHSE awareness training
03	Compliance and Beyond: Navigating OSHA Amendments for a Safer Workplace	**04**	New Requirements of OSHA 1994 and Its Impact to the Industries Managing Risk Based on OSHPoP
05	Navigating Occupational Safety in Malaysia (NOSIM)	**06**	NIOSH Training
07	NIOSH – Tenaga Safety Leader Passport	**08**	Newest Fire Safety Training
09	Intermediate Scaffold	**10**	Working at Height Awareness Training
11	Forklift Skills, Safety and Daily maintenance Course	**12**	Basic Occupational First Aid, CPR and AED Training
13	Occupational Safety and Health Coordinator	**14**	Safety First Priorization Workshop
15	Safety and Health Management in Construction Sector	**16**	OSH Train the trainer Competency Based Program
17	Conference on QHSE2E Innovation for Safer and Healthier Systems and Technology	**18**	Occupational Health Conference 2024

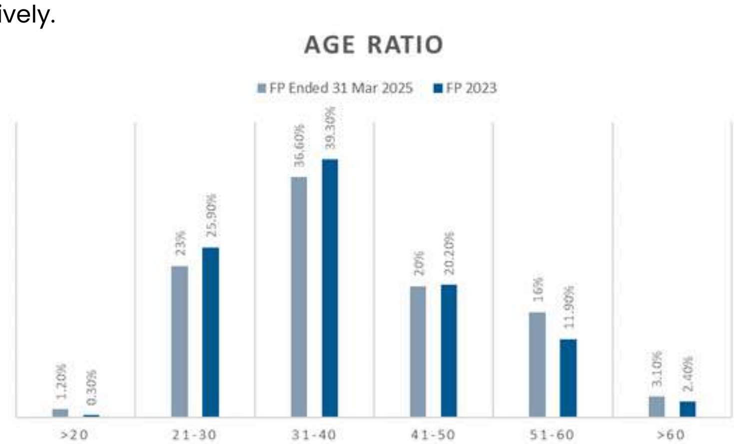
Diversity and Equal Opportunity

We embrace workforce diversity that will broaden our perspective and enable us to be more creative and have a better understanding of our customers' needs promotes a working culture that is characterised by appreciation, respect and equality in opportunity.

In FP 2025, PESTEC recorded a total workforce of 413, constituting 74% of male and 26% female respectively.

	FP Ended 31 Mar 2025	FP 2023
Male: Female	304: 109	354: 152
Ratio	2.58:1	2.33:1





Social Performance

At PESTEC, we believe that diversity in leadership contributes to more effective governance and broader perspectives. In the financial period ended Mar 2025, women held 14% of positions at the Board level.

We remain committed to improving gender representation across all levels of the organisation and continue to support initiatives that empower and advance female leadership within the company.

Employee Turnover by Category

We recognize that our people are the cornerstone of our long-term success. Maintaining a stable, engaged, and high-performing workforce is essential to achieving our sustainability goals and delivering consistent value to our stakeholders.

In the reporting period, the overall employee turnover rates were as follows:
- Management: 18.17%
- Executive: 15.16%
- Non-Executive: 13.74%

These figures reflect our ongoing efforts to foster a supportive and inclusive work environment across all employee levels. While we acknowledge the natural movement of talent in a dynamic business landscape, we continue to invest in targeted retention strategies, leadership development, and career progression pathways to improve employee satisfaction and reduce turnover.

We remain committed to strengthening our human capital through continuous engagement, training, and well-being initiatives, aligning our workforce strategy with our broader ESG objectives.

Percentage of Employees that are on Contracts or Temporary Staff

During the reporting period, 35.61% of our workforce comprised contract or temporary staff. This flexible staffing approach allows us to adapt to changing business needs while supporting operational efficiency. We remain committed to fair labor practices and strive to ensure that all employees—regardless of contract type—are treated with respect and provided with safe working conditions, equitable opportunities, and access to development resources.

Training and Development Programs

We believe that continuous training and development is crucial for re-skilling and up-skilling our employees so that they are able to keep abreast with the latest developments and serve the new requirements in the market. Employee training needs are assessed through our semi-annually performance evaluation process, to identify the key areas for an employee to improve and grow further. Other than external trainings, in-house trainings in the respective areas relate to operation and employee well-being are conducted from time to time as a refresher training.

Sustainability Statement

The Group's training hours are as follows: -

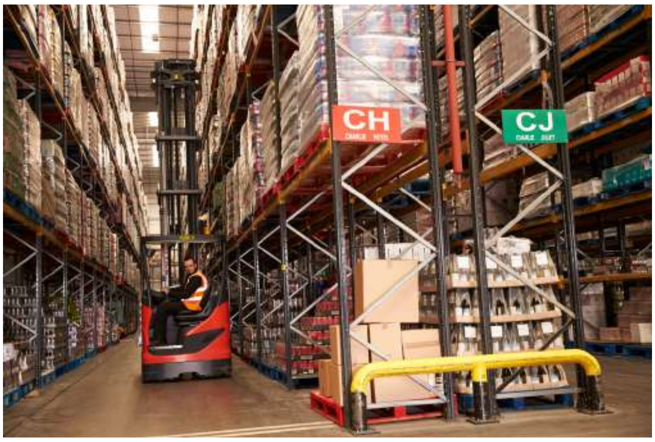
	FP Ended 31 Mar 2025	FP 2023	FY 2022
Training hours	1,978	1,249.75	2234

In FP 2025, the total number of training hours increased compared to FP 2023, primarily due to the extended reporting period—18 months in FP 2025 versus 15 months in FP 2023. The increase also reflects our proactive approach to workforce development, with the roll out of several company-wide training programs delivered across all staff levels.

Key programs conducted during the period included:

- **01** Sustainability Awareness – Why Now and Why it Matters
- **02** General Anti-Bribery and Corruption ("ABC") Competency Training
- **03** Compliance and Filling the Implementation Gap
- **04** General Risk Management – General, Strategic, Operation and Project Risk
- **05** Implementation of E-Invoicing

These initiatives demonstrate our commitment to building internal capabilities, enhancing compliance, and fostering a culture of ethical and sustainable business practices. As we move forward, we will continue to invest in structured learning programs that support individual growth, organizational resilience, and alignment with our broader ESG and corporate strategy objectives.



Supplier

<u>Proportion of spending on local suppliers</u>

At PESTEC, we are committed to supporting the local economy and fostering strong relationships with local suppliers as part of our broader sustainability agenda. In the financial period (FP) 2025, our total procurement from local suppliers amounted to RM94,289,076.41, representing 23.97% of our total supplier expenditure.

As Group operates in a highly specialised electrical power systems industry, many of our core components and technologies—such as high-voltage equipment, protection systems, and advanced control infrastructure—are sourced from global suppliers to meet strict performance, quality, and regulatory standards. Despite this, we continue to prioritise local sourcing wherever feasible, particularly in areas such as civil works, logistics, manpower, and supporting services.

Our local procurement efforts contribute to jobs creation, capability development, and economic growth in the regions where we operate. We actively engage with local suppliers to enhance their competitiveness and align them with PESTEC's quality and sustainability standards.

Looking ahead, we remain focused on expanding our local supplier base, where practical, to reinforce our long-term commitment to responsible procurement and inclusive, sustainable development.

Social Performance

Community Engagement

Engagement with Local Communities

Under the principles of CARE, i.e., Community, Advancement, Recuperation, and Environment, PESTEC is committed to contributing to the development and wellbeing of the communities and pledge to contribute back to the community

During the Financial Period, a total of RM15,000 and USD200 donations were made to various bodies to improve the living conditions of those underprivileged.

No	Beneficiaries	Amount	Purpose of CSR
1	Sikh Welfare Society Malaysia- Fundraising Dinner Vaisakhi 2024 Celebration	MYR15,000	Demonstrate the company's commitment to social and cultural inclusion.
2	CSX Hope Of Life 2024	USD200	To provide rice packages for approximately 200 orphans in Cambodia

PESTEC Scholarship Program

At PESTEC, we believe that sustainable talent building is vital to thrive in a volatile and competitive business environment. The talent of our future leaders is crucial to our sustenance and future success. PESTEC CARE since 2019 the undergraduate/ postgraduate scholarship program aim to create a vibrant and sustainable talent resources by providing education sponsorship, training and opportunities to new talents. This scholarship will be offered to qualified students with outstanding academic achievements and active involvement in extracurricular activities. PESTEC scholars will take on an internship and experience what it's like to be a part of PESTEC.

On completion of studies, scholars will be required to avail themselves for employment at PESTEC for a period of 3 to 5 year, depending on the evaluation and offer of the company. To-date, 9 scholars have been sponsored under this program.

In FP 2025, the program supported 4 scholars, with a total allocation of RM31,750. Over the last 5 years the cumulative sponsorship has been RM520,512.

The program is currently suspended pending a strategic review of our talent development initiatives, as we continue to align our human capital strategy with evolving business needs and sustainability goals.

GOVERNANCE

Code of Ethical Conduct

PESTEC has a formalised Code of Ethical Conduct that sets out the fundamental principles and guidelines for all employees to uphold high ethical business standards and apply these values in all aspects of the Group's business and dealing with its stakeholders. All employees were made known of the core values in the Code of Ethical Conduct upon recruitment where they are required to sign-off their pledge for adherence to the Group's Code of Ethical Conduct. The Code of Ethical Conduct is published on our Company's website at www.pestec-international.com.

Anti-Bribery and Corruption Policy

PESTEC's Anti-Bribery and Corruption Policy, Guidelines and Procedures aims to extend our commitment towards conducting our business ethically with utmost integrity for all its operations locally and overseas. The ABC policy is accessible on our Company's website at www.pestec-international.com. PESTEC adopts a zero-tolerance position on all forms of bribery and corruption in all aspects of our business operations. The ABC sets out the policy, guidelines and procedures concerning improper solicitation, bribery, and other corrupt activities that may potentially arise within the organisation. The ABC outlined the do's, donts' and limitations when it comes to provision of entertainment and corporate hospitality, restricted gift, corporate contributions, political contributions, dealing with public officials and third parties, amongst others, the areas where bribery or corruption may potentially occur.

Nonetheless, employees are reminded that the ABC shall not be taken as exhaustive, should he/she encounter any kind of situation that may potentially results in him/her to be in violation of the ABC or alleged to be involved in any bribery or corruption activities, he must report to the Compliance Officer of the subsidiary company as soon as possible. Mandatory online training and assessment on ABC were provided to employees and refresher training will be conducted on annual basis.

The Company also provides all directors, management staff, employees, vendors of PESTEC and its subsidiaries as well as members of the public with mechanisms to confidentially and anonymously bring to the attention of the Board of Directors ("Board") any concerns related to matters relating to code of business conduct and ethics, legal issues and accounting or audit matters, through the dedicated whistleblowing channel.

Governance

There were zero cases reported of proved bribery or corruption and whistle-blowing cases in relation to ethical business practices, or any suspicious corruption or unethical behaviour.

	FP Ended 31 Mar 2025	FP 2023	FY 2022
Number of bribery or corruption cases	0	0	0
Number of whistle-blowing cases	0	0	0

Data Security and Protection Policy

Our Data Security and Protection Policy ("DSPP") outlines the importance of security and protection of all information-related assets of the Company. The DSPP established an integral framework for assurance and protection of information system protection against threats, errors, failures, disturbances, falsifications, sabotages, violations of confidentiality, interruptions of business operations, thefts and natural disasters.

During the FP 2025, the Company has adopted the following policies in the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Data Privacy and Security

During the reporting period, we recorded zero complaints concerning breaches of customer privacy and no incidents involving the loss of customer data. This outcome reflects our strong commitment to upholding data protection standards and implementing robust security measures to safeguard customer information.

Human Rights Policy

Our Human Rights Policy is the guiding principle for the Company to direct us on basic human and labour rights when operating our business. This is part of our Sustainability effort to ensure that the we can continue to thrive over the long term. We are determined to uphold the rights of its employees through mutual respect, comply with the relevant legal requirements and regulations and will operate in the most ethical and responsible way and ensure zero human rights violations in its operations.

No Child Labour Policy

The Company endeavours to provide a conducive working environment that is characterised by equality and mutual respect and will not tolerate the use of child or forced labour, nor exploitation of children in any of the operations in Malaysia and overseas.

No Illegal Foreign Labour Policy

The Company is committed to ensuring all foreign labour are recruited ethically and professionally in line with the labour laws and regulations of the country and jurisdictions we operate in. We strictly prohibit the employment of illegal foreign labour. We ensure that all foreign labours possess valid and authorized work permits, visas, or other necessary documents as required by the country-governing laws in countries wherein we operate.

Certification, Recognition and Assurance

Pestec International Berhad is committed to integrating sustainability into our operations and governance practices. Our main operating subsidiaries are certified with ISO 14001:2015, reflecting our adherence to internationally recognized environmental management standards. We are included in the FTSE4Good Bursa Malaysia Index, with a current FTSE Russell ESG Rating of 2 out of 5 star, which serve as a benchmark to track and guide our progress in environmental, social, and governance (ESG) performance.

Our Sustainability Statement has undergone an internal review process to ensure accuracy and consistency with our operational practices and reporting principles. However, it has not been externally audited or assured. We remain committed to enhancing the credibility and transparency of our sustainability reporting in the future through continuous improvement and stakeholder engagement.

The management seeks to enhance and improve the implementation of sustainability for the Group.

Remark List

PIB	Pestec International Berhad
PSB	Pestech Sdn. Bhd.
PEN	Pestech Energy Sdn. Bhd.
PTE	Pestech Technology Sdn. Bhd.
PTR	Pestech Transmission Sdn. Bhd.
PCL	Pestec (Cambodia) PLC.
FP Ended 31 Mar 2025	Financial Period ("FP") covers 18 months starting from 01 October 2023 to 31 March 2025
FP 2023	Financial Period ("FP") 2023 covers 15 months starting from 01 July 2022 to 30 September 2023
FY 2022	Financial Year End ("FY") 2022 covers period starting from 01 July 2022 to 30 June 2022

Indicator	Measurement Unit	2025
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	792.51
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	10.333500
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	550.15
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	280.55
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	666.67
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	3.24
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	No Data Provided
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	47,590.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	No Data Provided
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	23.97
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	No Data Provided
Bursa C5(c) Number of employees trained on health and safety standards	Number	129
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Employee Under 20	Percentage	1.20
Employee Between 21-30	Percentage	23.00
Employee Between 31-40	Percentage	36.60
Employee Between 41-50	Percentage	20.00
Employee Between 51-60	Percentage	16.00
Employee Above 60	Percentage	3.10
Gender Group by Employee Category		
Employee Male	Percentage	73.61
Employee Female	Percentage	26.39
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.71
Female	Percentage	14.29
Below 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	86.81
Executive	Percentage	99.31
Non-executive / Workers	Percentage	96.67
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	486
Executive	Hours	1,467
Non-executive / Workers	Hours	26

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2025
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	35.61
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	18
Executive	Number	15
Non-executive / Workers	Number	14
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance External assurance No assurance (*)Restated

Corporate Governance **Overview Statement**

The Board of Directors ("Board") and management of PESTEC International Berhad (formerly known as PESTECH 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 period of 18 months from 1 October 2023 to 31 March 2025 ("Financial Period"). 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 Group Managing Director together with the heads of the main operating companies are involved in leadership roles overseeing 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.

The roles of the Chairman and Group Managing Director are separate. The 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 oversees the development and operations of the Group's businesses, and implementing corporate strategies and policies adopted by the Board. His responsibilities also include ensuring that appropriate risk management and compliance procedures are in place, the assets of the Company are adequately maintained and protected and overseeing 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:-

Corporate Governance Overview Statement

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 was last reviewed in November 2023, and 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 Policy' ("ABAC") which applies to all directors, management employees and contract workers of all entities in PESTEC Group. The ABAC 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:

https://pestec-international.com/sites/default/files/2025-05/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf

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 Sustainability and Risk Management Committee ("SRMC") to implement sustainability and risk management across the Group. SRMC 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 company secretaries who provides advisory on statutory and regulatory requirements and related governance requirements relating to the discharge of their duties and responsibilities.

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 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 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.

Corporate Governance Overview Statement

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 currently comprises majority of Independent Directors; of the nine (9) Board members, five (5) are Independent Directors. The remaining of the Board comprises two (2) Non-Independent Non-Executive Directors, and two (2) Executive Directors. The Independent Directors are able to carry out their duties and express their views unfettered by familiarity, or business or other relationships. They provide skills, competencies as well as broader views to enhance the Board's effectiveness.

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. Currently, the Company has appointed 3 women directors and has achieved more than 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 14 Board meetings held during the Financial Period 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)	1	1
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (Group Executive Director)	1	1
Datuk Mohamed Razeek Bin Md Hussain Maricar (Group Managing Director)	1	1
Mr. Lim Ah Hock	14	13
Mr. Lim Pay Chuan	14	13
Ms. Helen Tan Miang Kieng	14	13
Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025)	-	-
Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)	-	-

Directors	Number of meetings	
	Held	Attended
Puan Masnizam Binti Hisham (Appointed on 9 July 2025)	-	-
Dato' Harjit Singh A/L Gurdev Singh (Appointed on 27 May 2024; Resigned on 19 June 2025)	8	8
Ms. Hoo Siew Lee (Resigned on 27 March 2025)	14	12
Mr Ng Chee Hoong (Retired on 26 March 2024)	5	5
Ir. Amir Bin Yahya (Resigned on 24 May 2024)	6	5
Mr Lim Peir Shenq (Resigned on 2 February 2024)	3	3

All proceedings of the Board meetings are duly minuted and signed off by the Chairman of the meeting. 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 Non-Executive 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 4.2 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative 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.

In line with the above recommendation, the Board views that the objectivity of an Independent Director may no longer be remain independent due to the familiarity with the management and corporate affairs of the Company. As such, 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.

Corporate Governance Overview 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

All Directors, except Puan Masnizam Binti Hisham, who was appointed as Independent Director on 9 July 2025, have attended the Mandatory Accreditation Program ("MAP") as prescribed by the MMLR.

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.

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

Name	Training	Date
Tan Sri Dato' Seri Mohd Zuki Bin Ali	Persidangan Kepelbagaian Biologi Kebangsaan Tahun 2023 dan Dasar Kepelbagaian Biologi Kebangsaan 2022-2030	24 October 2023
	Simposium Tatakelola Nasional	8 January 2024
	International Conference of Religious Leaders 2024	7 May 2024
	Konvensyen Keselamatan Perlindungan Peringkat Kebangsaan Tahun 2024	28 May 2024
	Khazanah Megatrends Forum 2024	7 October 2024
	EPF DTX Summit 2024	29 October 2024
	Regional Counselling Convention 2024	7 November 2024
	Persidangan Cukai Kebangsaan 2024	13 November 2024
	Bespoke Programme – Achieving Boardroom Excellence: Redefining Directorship for the Modern Era Learning Outcomes	20 November 2024

Name	Training	Date
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	GOPIO International Expo and Business Summit 2023 Inaugural Session	1 December 2023
	AHIBB State of the Nation & Spotlight on Johor	4 December 2023
	Innotrans 2024 Exhibition in Berlin, Germany	24 to 27 September 2024
	Global Economic Summit 2024 and 11th World Tamils Economic Conference and Exhibition	15 November 2024
Datuk Mohamed Razeek Bin Md Hussain Maricar	A talk on "Board Oversight of Climate Risks and Opportunities"	10 October 2023
	KWAP Board and Investment Panel Training	16 May 2024
	KWAP Inspire Conference 2024	6 August 2024
	The 4th ASEAN Rail Summit 2025	9 & 10 January 2025
Lim Pay Chuan	Crowe Tax Budget Webinar 2024: Unleash the T.I.G.E.R	26 October 2023
	Mandatory Accreditation Programme Part II : Leading for Impact	6 & 7 November 2023
	Maybank Investment – Sustainability Insights : Global Trends & Local Impact	25 November 2023
	Minimum Transfer Pricing Documentations for SMEs	13 September 2024
	Practical Implementation of e-invoicing – Concepts & Challenges	23 September 2024
	Transform 2025 Conference	7 November 2024
	Crowe Malaysia Budget 2025 Conference	12 November 2024
	TNB – Vendor Grid Briefing	17 February 2025
Helen Tan Miang Kieng	Cybersecurity Awareness Training Part 2 - 2024	5 to 17 February 2024
	Islamic Stockbroking E-learning Module (Batch 1)	14 March to 3 April 2024
	Cybersecurity Awareness Training Part 5 - 2024	16 to 25 May 2024
	Cybersecurity Awareness Training Part 7 - 2024	18 to 28 July 2024
	Cybersecurity Awareness Training Part 8 - 2024	15 to 24 August 2024

Corporate Governance Overview Statement

Name	Training	Date
Helen Tan Miang Kieng	Operational Risk Management Module 3	4 to 20 November 2024
	Good Corporate Governance Week 2: Data Governance	15 to 22 November 2024
	9th Annual Regulatory Seminar	19 November to 13 December 2024
	Business Continuity Management Awareness FY2023/2024	16 December to 31 December 2024
Dato' Wee Yiaw Hin @ Ong Yiaw Hin	Fide Empowering Change through Diversity, Equity and Inclusion	2 November 2023
	Digital Disruption Finance Industry	9 November 2023
	Duties and Responsibilities of Directors	21 November 2023
	Climate Change & Carbon Footprint – Financial Risks & Reporting	1 December 2023
	IERP Directors : Offensive vs Defensive, the best approach for your business	5 December 2023
	Fitch Webinar APAC Credit Outlook	31 January 2024
	Climate Governance Board Effective Oversight	21 March 2024
	Directors Masterclass: Recent Development in Climate Change	17 April 2024
	Responsibilities Mapping Engagement with Directors of Financial Institutions	24 April 2024
	Conflict of Interests and Directors Obligations	9 May 2024
	Climate Governance Malaysia Masterclass: What Directors must know : Recent Development in Climate Science	15 May 2024
	Bank Negara Conference : - Ringgit Bond and Equity Market - Navigating Economic Cycles	12 June 2024
	FIDE Forum Board Culture	24 June 2024
	Distinguish Leadership Series 2024 : Digital Transformation of World's Best Bank	3 September 2024
	Mandatory Accreditation Programme Part II : Leading for Impact	4 & 5 November 2024
	FITCH APAC Credit Outlook	31 January 2025
	ICDM-Exclusive Deloitte : Climate Governance	21 March 2025
Roza Shahnaz Binti Omar	Directors Development Programme – Importance of Corporate Governance and Sustainability	10 December 2024
	Board that leads Governance Intelligence	12 December 2024

Mr Lim Ah Hock and Puan Masnizam Binti Hisham have not attended any training during the Financial Period due to their own personal commitment. 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")

The NC currently comprises four (4) members, all are Independent Non-Executive Directors as follows:

Designation	**Name**
Chairman	Dato' Wee Yiaw Hin @ Ong Yiaw Hin (Appointed on 30 April 2025)
Members	Puan Roza Shahnaz Binti Omar (Appointed on 30 April 2025) Ms Helen Tan Miang Kieng Puan Masnizam Binti Hisham (Appointed on 9 July 2025)

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 meets as and when is required. For the Financial Period, the NC conducted 5 meetings and carried out the following activities:-

- 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 current NC is unable to carry out an assessment on the Board, Board Committees and individual Directors for the Financial Period, as majority of the current Directors were only appointed end of December 2024 or after the closure of the financial period. Hence the assessment may not be meaningful. The NC will endeavour to carry out the above assessment for the next financial year in 2026.

Corporate Governance Overview Statement

Remuneration Committee ("RC")

The RC currently comprises four (4) members, all are Independent Non-Executive Directors as follows:

Designation	Name
Chairman	Puan Masnizam Binti Hisham (Appointed on 9 July 2025)
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) Ms Helen Tan Miang Kieng

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 Period , the RC conducted 3 meetings and carried out the following activities:-

- Reviewed and recommended the directors' fees for the Independent Non-Executive Chairman, Non-Independent Non-Executive Deputy Chairman and new directors
- Reviewed and recommended revision to directors' fees for existing non-executive directors
- Reviewed on benefits payable to Directors under Section 230(1) of the Act 2016.

The Group Executive Director and Group Managing Director have agreed to waive their entitlement for one year from the date of their appointment on 18 December 2024 in light of the Company's financial performance.

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

	Fees (RM)	Allowances (RM)	Salaries (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
COMPANY							
Tan Sri Dato' Seri Mohd Zuki Bin Ali	35,806	1,500	-	-	-	-	37,306
Lim Ah Hock	35,806	1,000	1,568,171		22,653	204,832	1,832,462
Datuk Seri (Dr) Subramaniam Pillai A/L Sankaran Pillai	-	-	-	-	-	-	-
Datuk Mohamed Razeek bin MD Hussain Maricar	-	-	-	-	-	-	-
Lim Pay Chuan	-	-	1,791,000	-	30,012	234,495	2,055,507
Helen Tan Miang Kieng	73,903	46,000	-	-	-	-	119,903
Dato' Harjit Singh A/L Gurdev Singh (Appointed on 27 May 2024; Resigned on 19 June 2025)	34,517	24,000	-	-	-	-	58,517
Hoo Siew Lee (Resigned on 27 March 2025)	73,903	45,855	-	-	-	-	119,758
Ir. Amir Bin Yahya (Resigned on 24 May 2024)	31,097	18,000	-	-	-	-	49,097
Ng Chee Hoong (Retired on 26 March 2024)	24,000	24,000	-	-	-	-	48,000
Lim Peir Shenq (Resigned on 2 February 2024)	-	-	81,379	-	-	10,964	92,343

Corporate Governance Overview Statement

	Fees (RM)	Allowances (RM)	Salaries (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
GROUP							
Tan Sri Dato' Seri Mohd Zuki Bin Ali	35,806	1,500	-	-	-	-	37,306
Lim Ah Hock	35,806	1,000	**2,388,575**		**22,653**	**260,768**	**2,708,802**
Datuk Seri (Dr) Subramaniam Pillai A/L Sankaran Pillai	-	-	-	-	-	-	-
Datuk Mohamed Razeek bin MD Hussain Maricar	-	-	3,315	-	-	-	3,315
Lim Pay Chuan	-	-	2,611,404	-	30,012	290,431	2,931,847
Helen Tan Miang Kieng	73,903	46,000	-	-	-	-	119,903
Dato' Harjit Singh A/L Gurdev Singh (Appointed on 27 May 2024; Resigned on 19 June 2025)	34,517	24,000	-	-	-	-	58,517
Hoo Siew Lee (Resigned on 27 March 2025)	73,903	45,855	-	-	-	-	119,758
Ir. Amir Bin Yahya (Resigned on 24 May 2024)	31,097	18,000	-	-	-	-	49,097
Ng Chee Hoong (Retired on 26 March 2024)	24,000	24,000	-	-	-	-	48,000
Lim Peir Shenq (Resigned on 2 February 2024)	-	-	81,379	-	-	10,964	92,343

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

Range (RM)*	Number of Key Senior Management
90,001 – 140,000	1
700,001 – 750,000	1
850,001 – 900,000	1
900,001 – 950,000	1
1,000,001 – 1,050,000	1
1,500,001 – 1,550,000	1
2,700,001 – 2,750,000	1
2,900,001 – 2,950,000	1

The Board is of the opinion that the disclosure on the remuneration of the Key Senior Management on a 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 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

4. AUDIT COMMITTEE ("AC")

The AC presently comprises Independent Non-Executive Directors as follows:

Designation	Name	Directorate
Chairman	Puan Roza Shahnaz Binti Omar	Independent Non-Executive Director
Members	Dato' Wee Yiaw Hin @ Ong Yiaw Hin Ms Helen Tan Miang Kieng Puan Masnizam Binti Hisham	Independent Non-Executive Director Independent Non-Executive Director 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 Period are set out in the AC Report of this Annual Report.

Corporate Governance Overview Statement

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.

5. 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 function had been combined with sustainability and both are under the purview of the 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 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 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

6. 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.

7. CONDUCT OF GENERAL MEETINGS

Annual General Meeting ("AGM")

The AGM is the main forum for dialogue with the shareholders. Shareholders are notified of the meeting and provided with a copy of the annual report at least 28 days before the meeting. This allows shareholders sufficient time to make necessary arrangements to attend and participate in person or by proxies. Ample opportunity is given to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group and communicate relevant concerns and expectations. Board members, senior management and the Group's External Auditors as well as the Company Secretaries are available to respond to shareholders' questions during the AGM as the case may be.

Poll Voting

The Company has been leveraging on technology for conduct of meeting with shareholders and deploying electronic poll voting and will continue the same in future general meetings. At the Twelfth and Thirteenth AGMs held on 26 March 2024, the meetings were conducted via fully virtual and live-streamed from the broadcast venue where remote participation and voting facilities were being deployed.

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 of 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 in order to safeguard the interest of all stakeholders.

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 period from 1 October 2023 to 31 March 2025 ("Financial Period Ended 31 March 2025").

Composition

As of the date of this AC Report, the members of the AC of PESTEC International Berhad (formerly known as PESTECH International Berhad) ("PESTEC") comprised the following Directors:-

Chairperson : Puan Roza Shahnaz Binti Omar (Chairperson) *(Independent Non-Executive Director)*

Member : Ms. Helen Tan Miang Kieng, *Independent Non-Executive Director*
Dato' Wee Yiaw Hin @ Ong Yiaw Hin, *Independent Non-Executive Director*
Puan Masnizam Binti Hisham, *Independent Non-Executive Director*

Meetings

The number of AC meetings held during the Financial Period Ended 31 March 2025, 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	7	6
Dato' Harjit Singh A/L Gurdev Singh *(Appointed on 27 May 2024; Resigned on 19 June 2025)*	4	4
Puan Roza Shahnaz Binti Omar *(Appointed on 30 April 2025)*	-	-
Dato' Wee Yiaw Hin @ Ong Yiaw Hin *(Appointed on 30 April 2025)*	-	-
Puan Masnizam Binti Hisham *(Appointed on 9 July 2025)*	-	-
Ms. Hoo Siew Lee *(Resigned on 27 March 2025)*	7	6
Mr Ng Chee Hoong *(Ceased on 26 March 2024)*	3	3
Ir. Amir Bin Yahya *(Resigned on 24 May 2024)*	3	3

Summary of Work of the AC during the Financial Period Ended 31 March 2025

The works carried out by the AC for the Financial Period Ended 31 March 2025 are summarised as follows: -

i. Financial reporting

a) Reviewed the Group's quarterly financial results and annual audited financial statements for the Financial Period Ended 31 March 2025. 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.

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

- Reviewed the external auditor's report on the progress of the audit including audit and accounting matters, internal control recommendations and status of closure.
- 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.
- Reviewed and approved the external auditors' 2025 Audit Plan outlining their strategy and approach and proposed fees.
- Evaluated the annual assessment on the effectiveness of the 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 Period Ended 31 March 2025 was RM97,500.

During the Financial Period Ended 31 March 2025, the AC reviewed and discussed with the Internal Auditors, on their reports which covered the internal control review as follows:-

- Health, Safety and Environment Management
- Human Resource Management
- Tender Management
- Anti-Bribery Management System
- Sustainability Management

The AC reviewed and accepted the Internal Audit Strategy Document for financial year ending 31 March 2026 as presented by the Internal Auditors.

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 26 February 2024, the AC assessed the effectiveness of the Internal Auditors, and is satisfied with the Internal Auditors' performance.

Audit Committee Report

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. There were no COI situations arose during the Financial Period Ended 31 March 2025.

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.

Others
The AC reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2025 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 Period Ended 31 March 2025, 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.

This AC Report is approved by the Board on 17 July 2025.

Statement on Risk Management **and Internal Control**

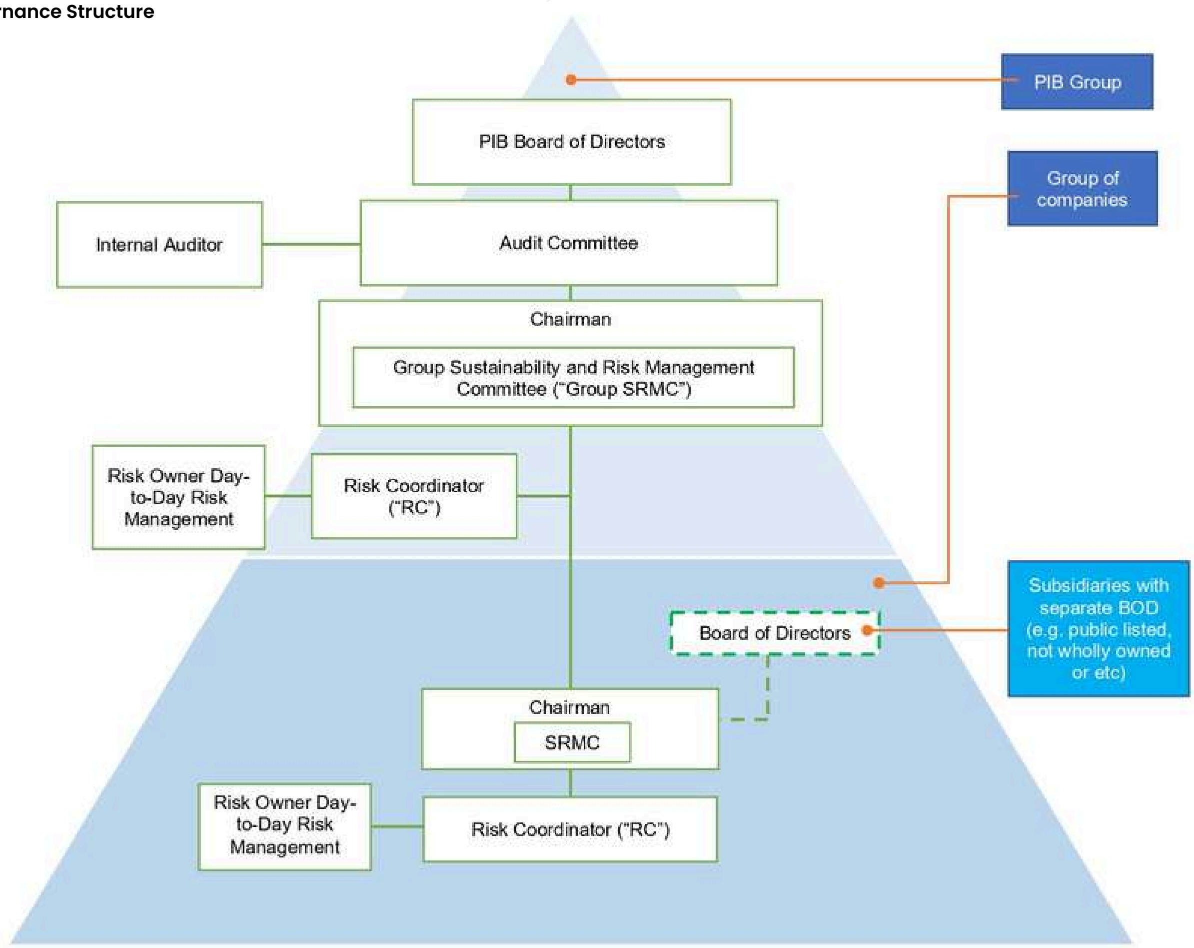
The Board of Directors ("**the Board**") is pleased to present the statement on risk management and internal control pursuant to Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MMLR**"), which is made in line with the Statement on Risk Management and Internal 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 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.

During the financial period ended 31 March 2025, the Sustainability and Risk Management Committee ("**SRMC**") continued to report to the Audit Committee ("**AC**") and Board in reviewing the adequacy, integrity and effectiveness of the RMIC Systems. The governance structure established for implementing the Group's RMIC Systems remains in place as follows:-

PESTEC International Berhad ("PIB") and Group of Companies
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:-

- Risk Strategy & Appetite
- Risk Governance
- Risk Culture
- Risk Assessment & Measure
- Risk Management & Monitoring
- Risk Reporting & Insights

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

Type of Risks	Accountability
Strategic Business Risk Strategic business risks are primarily external events that significantly affect a company's strategic decisions and activities. These risks are influenced by factors like national/global economies, government policies, interest rates, and climate, making them hard to predict or monitor systematically. Due to their unpredictable nature, senior management plays a crucial role in identifying and monitoring these risks during strategic planning and reviews. The Board and the SRMC are accountable for managing these strategic business risks, and effectively handling them helps the company forecast and adapt to changing demands while reducing the likelihood of being caught off guard by unexpected external events.	Senior Management, Board and SRMC

Operational Risk Operational risks are inherent in the daily activities of the Group's divisions and can result from personnel performance, organizational structure, and reporting practices. Senior management requires ongoing assurance that these risks are identified and managed. If such risks have the potential to significantly impact the Group's continuity or strategic direction, they are considered strategic risks. Responsibility for managing operational risks primarily falls on the Heads of Departments (HODs). Efficiently managing these risks offers benefits such as maintaining high-quality standards, minimizing surprises, early issue detection, readiness for emergencies, and earning shareholders' trust for effective risk management.	Head of Divisions
Project Risk Project risks are uncertain events or conditions that can have positive or negative effects on a project's objectives. They often result from inadequate planning and organization, leading to potential cost and time overruns, and even project failure. Effective project planning involves defining goals and objectives related to scope, schedule, cost, and quality. Project Managers, who have overall accountability for the project, are responsible for achieving project deliverables and outcomes. However, specific project management risks are typically delegated to project managers for attention and action. Efficiently managing these risks involves timely identification and implementation of corrective measures to prevent cost and time overruns.	Project Managers

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.

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.

Statement on Risk Management and Internal Control

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.

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.

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:-

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.

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.

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 2025 and presented the proposed audit scope for AC's approval;

Statement on Risk Management and Internal Control

- Carried out relevant activities to conduct internal audits in the following areas:-
  1. Health, Safety and Environment Management
  2. Human Resource Management
  3. Tender Management
  4. Anti-Bribery Management System
  5. Sustainability 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.

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.

ASSURANCE STATEMENT BY THE GROUP MANAGING DIRECTOR ("GMD") AND CHIEF FINANCIAL OFFICER

In line with the Guidelines, the GMD and Chief Financial Officer have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.26(b) of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the financial period ended 31 March 2025. Their review was performed in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants.

CONCLUSION

The Board has taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements.

The Board is of the view that the RMIC Systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report. The Board continues to take appropriate measures to sustain and, where required, to improve the Group's RMIC Systems in meeting the Group's strategic objectives.

The management seeks to enhance and improve the implementation of risk for the Group.

The statement is made in accordance with a resolution of the Board dated 17 July 2025.

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 2025 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 1,333,335,000 ordinary shares to DMIA ("Restricted Issue 1")

On 18 December 2024, the Company completed the Restricted Issue 1 exercise following the listing and quotation of 1,333,335,000 new ordinary shares at an issue price of RM0.12, raising a total proceed of RM160,000,200.

The summary of utilisation of proceeds raised from Restricted Issue 1 as at 10 July 2025 is set out below:-

Proposed utilisation of proceeds	Timeframe for utilisation	Original Proposed Utilisation RM'000	Revised Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance unutilised RM'000
Repayment of bank borrowings	Within 12 months	60,000	67,450	67,450	0
Operational requirements	Within 12 months	17,000	17,000	17,000	0
Working capital	Within 12 months	82,000	74,825	74,825	0
Expenses in relation to Restricted Issue 1	Within 2 months	1,000	725	725	0
Total		**160,000**	**160,000**	**160,000**	**0**

ii) 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 total proceed of RM27,814,684.44.

The summary of utilisation of proceed raised from Restricted Issue 2 as at 10 July 2025 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	22,898	1,102
Operational requirements	Within 12 months	3,315	2,403	912
Estimated expenses in relation to Restricted Issue 2	Within 3 months	500	218	282
Total		**27,815**	**25,519**	**2,296**

Additional Compliance Information

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 2025 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, there were no material contracts entered into by the Company and its subsidiaries involving the interests of directors' and major shareholders since the end of the previous financial period nor still subsisting at the end of the financial period from 1 October 2023 to 31 March 2025:

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.

4) Recurrent Related Party Transactions ("RRPT")

The Company had obtained a mandate from its shareholders for the RRPTs at the Extraordinary General Meeting held on 27 February 2025. In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of RRPTs conducted for the period from 18 December 2024 (the date DMIA became major shareholder of the Company) to 31 March 2025 pursuant to the Shareholders' Mandate are set out below:-

Transacting Parties	Nature of RRPTs undertaken by PESTEC Group	Relationship of the Related Parties	Aggregate Value of RRPTs from 18 December 2024 to 31 March 2025 (RM'000")
DMIA Group	i) Provision of services and/or sales of related products by DMIA Group to PESTEC Group in respect of the engineering, procurement, construction and commissioning of public mobility and transportation (railways and highways), railway engineering and technology, which includes but not limited to the following:- (a) Provision of subcontracting services of design and build turnkey for power supply and distribution system, rail electrification which covers overhead catenary systems, conductor rail and traction power systems (AC and DC), replacement with hydrogen-powered or battery-powered systems, signaling, communications, automated people mover and other rail related services; (b) Provision of operation, repair and maintenance services for rail equipment and other ancillary services; (c) Procurement of rail related components required for the projects undertaken by PESTEC Group and/or DMIA Group; (d) Provision of training and technical knowledge transfer to develop and upskill the project teams of PESTEC Group and/or DMIA Group; (e) Project management services for the projects undertaken by PESTEC Group and/or DMIA Group to ensure timely delivery of the projects; (f) Development and system integration of solutions relating to the projects undertaken by PESTEC Group and/or DMIA Group; and (g) Supply of advisory and/or manpower to support the projects undertaken by PESTEC Group and/or DMIA Group; and	<u>Interested Major Shareholders</u> (i) DMIA (ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai [(1)(2)] (iii)Datuk Mohamed Razeek Bin Md Hussain Maricar [(1)(2)] <u>Interested Directors</u> (i)Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai [(1)(2)] (ii) Datuk Mohamed Razeek Bin Md Hussain Maricar [(1)(2)]	-

Additional Compliance Information

Transacting Parties	Nature of RRPTs undertaken by PESTEC Group	Relationship of the Related Parties	Aggregate Value of RRPTs from 18 December 2024 to 31 March 2025 (RM'000")
DMIA Group	ii) Provision of services and/or sales of related products by PESTEC Group to DMIA Group in respect of project management, engineering, procurement, construction, digitalisation, manufacturing, installation, testing and commissioning of electrical power infrastructures for power grid and rail network, which includes but not limited to the following:- (a) design, installation and commissioning of electrical power system and infrastructures; (b) technical advisory and support in respect of electrical power system and infrastructures; (c) electrification and power automation services for energy related plants, which includes solar farm, battery energy storage system, thermal, hydro and waste energy facilities; and (d) sale and/or installation of power related products and solutions, which includes systems to monitor substations, renewable energy solutions for power microgrids, electric vehicle (EV) charging and Advanced Metering Infrastructure (AMI) solutions.	Interested Major Shareholders (i) DMIA (ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (1)(2) (iii) Datuk Mohamed Razeek Bin Md Hussain Maricar (1)(2) Interested Directors (i) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (1)(2) (ii) Datuk Mohamed Razeek Bin Md Hussain Maricar (1)(2)	

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

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

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 2025.

Analysis of **Shareholdings**
as at 10 July 2025

Class of shares	: Ordinary Shares
Total number of shares issued	: 2,557,345,508 (including 7,666,100 shares bought back and held as treasury shares)
Voting rights	: One 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	902	9.13	39,374	0.00
100 — 1,000	717	7.26	333,322	0.01
1,001 — 10,000	3,918	39.66	20,300,250	0.80
10,001 — 100,000	3,569	36.13	121,535,648	4.77
100,001 — 127,483,969*	770	7.80	842,346,777	33.04
127,483,970 and above**	2	0.02	1,565,124,037	61.39
	9,878	**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
(as shown in the Register of Substantial Shareholdings)

Name of Substantial Shareholder	Direct Interest	%*	Indirect Interest	%*
Dhaya Maju Infrastructure (Asia) Sdn Berhad	1,565,124,037	61.39	-	-
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	-	(1)1,565,124,037	61.39
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	(1)1,565,124,037	61.39
Lim Ah Hock	209,675,455	8.22	(2)3,892,830	0.15

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. and VESTECH Projects 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.

Analysis of Shareholdings

DIRECTORS' INTERESTS IN SHARES

	Direct Interest		Deemed Interest	
IN THE COMPANY	**No. of ordinary shares**	**%* of shares**	**No. of ordinary shares**	**%* of shares**
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	-	(1) 1,565,124,037	61.39
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	(1) 1,565,124,037	61.39
Lim Ah Hock	209,675,455	8.22	(2) 3,892,830	0.15
Lim Pay Chuan	115,250,670	4.52	(3) 1,320,080	0.05
Helen Tan Miang Kieng	300,000	0.01	-	-

* 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").
(2) Deemed interested pursuant to Section 8 of the Act by virtue of his indirect shareholdings in Kumpulan Liva Sdn. Bhd. and VESTECH Projects Sdn. Bhd.
(3) Deemed interested pursuant to Section 8 of the Act by virtue of his indirect shareholdings in VESTECH Projects Sdn. Bhd.

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 A/L Sankaran Pillai	37,500,000	37.50	-	-
Datuk Mohamed Razeek Bin Md Hussain Maricar	21,000,000	21.00	-	-
PESTEC (Cambodia) PLC - Subsidiary				
Lim Ah Hock	45,609	0.06	-	-
Lim Pay Chuan	94,898	0.13	-	-
PESTEC System Siam Ltd - Subsidiary				
Lim Ah Hock	1	0.00	-	-
Lim Pay Chuan	1	0.00	-	-

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

THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors)

Name		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	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Chuan	81,430,290	3.19
4	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Ah Hock (Third Party)	65,000,000	2.55
5	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Ah Hock (PB)	58,436,205	2.29
6	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Ah Hock	55,000,000	2.16
7	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kong Yew	38,178,500	1.50
8	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Chuan	33,820,380	1.33
9	Malacca Securities Sdn Bhd (IVT)006 TEAM MK01	32,656,700	1.28
10	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Ah Hock (504021612634)	31,239,250	1.23
11	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for Citibank New York (NORGES Bank 22)	28,000,000	1.10
12	Tan Peng Chung	18,665,600	0.73
13	Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund ESG (IFM Kenanga) (447645)	10,336,300	0.41
14	Jauhari Arif bin Ibrahim	10,323,665	0.40
15	Joanna binti Ibrahim	8,934,750	0.35
16	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LPF)	7,646,525	0.30
17	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mohamed Faroz Bin Mohamed Jakel	6,243,000	0.24
18	Maybank Nominees (Tempatan) Sdn. Bhd. Medical Fund (IFM Kenanga) (410224)	5,643,600	0.22

Analysis of Shareholdings

19	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeoh Poh Choo	5,500,000	0.22
20	Lim Chin Hwa	5,400,000	0.21
21	Universal Trustee (Malaysia) Berhad TA Islamic Fund	5,300,000	0.21
22	Harjit Singh S/O Gurdev Singh	5,040,000	0.20
23	AMSEC Nominees (Asing) Sdn Bhd Pledged Securities Account for Lee Chong Chai	5,004,500	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	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Teong Wei (E-TAI)	4,500,000	0.18
27	Kenanga Nominees (Tempatan) Sdn Bhd Loh Tuck Weng	3,937,000	0.15
28	Lim Hon Seng	3,799,000	0.15
29	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kan Yoon Keong	3,784,000	0.15
30	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chang Mei Lun	3,585,290	0.14
	TOTAL	**2,111,603,192**	**82.82**

Analysis of **Warrant holdings**
as at 10 July 2025

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

BREAKDOWN OF WARRANT HOLDINGS

Range of Holdings	No. of Holders	% of Holders	No. of warrants	% of Issued Warrants
1 — 99	1,580	24.79	65,631	0.07
100 — 1,000	2,871	45.05	1,206,387	1.27
1,001 — 10,000	1,492	23.41	4,172,180	4.39
10,001 — 100,000	344	5.40	11,957,917	12.57
100,001 — 4,757,292*	83	1.30	30,174,710	31.71
4,757,293 and above**	3	0.05	47,569,037	50.00
	6,373	**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)

	Direct Interest		Deemed Interest	
Name of Warrant Holders	**No. of warrants**	**% of warrants**	**No. of warrants**	**% of warrants**
1. Lim Ah Hock	31,876,075	33.50	(1) 389,283	0.41
2. Lim Pay Chuan	18,816,887	19.78	(2) 132,008	0.14

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.

Analysis of Warrant holdings

DIRECTORS' WARRANT HOLDINGS

	Direct Interest		Deemed Interest	
Name of Warrant Holders	No. of warrants	% of warrants	No. of warrants	% of warrants
1. Lim Ah Hock	31,876,075	33.50	(1) 389,283	0.41
2. Lim Pay Chuan	18,816,887	19.78	(2) 132,008	0.14
3. Helen Tan Miang Kieng	55,875	0.06	-	-

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.

THIRTY LARGEST WARRANT HOLDERS (as per Record of Depositors)

	Name	No. of Warrants	%
1	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Lim Ah Hock (PB)*	28,752,150	30.22
2	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Pay Chuan*	10,201,529	10.72
3	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Pay Chuan*	8,615,358	9.05
4	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Ah Hock (504021612634)*	3,123,925	3.28
5	AMSEC Nominees (Asing) Sdn Bhd *Pledged Securities Account for Lee Chong Chai*	1,850,200	1.94
6	TY Sereirith	1,295,662	1.36
7	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Gan Ti Wooi (E-SPT/WMU)*	1,155,400	1.21
8	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Shein Din (E-PPG)*	1,044,500	1.10

THIRTY LARGEST WARRANT HOLDERS (as per Record of Depositors)(Cont'd)

	Name	No. of Warrants	%
9	Jauhari Arif bin Ibrahim	1,032,366	1.09
10	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance Malaysia Berhad (LPF)*	924,012	0.97
11	Joanna binti Ibrahim	893,475	0.94
12	Ho Kah Heng	870,800	0.92
13	Lim Hon Seng	765,900	0.80
14	Phillip Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Goh Kim Choon*	734,200	0.77
15	Sivagukan A/L Thambirajah	580,000	0.61
16	Lim Chin Hwa	554,900	0.58
17	Roslan Bin Fadzil	550,000	0.58
18	Han Fatt Juan	509,725	0.54
19	Teo Sin Yien	500,300	0.53
20	Nihad Klapic	500,000	0.53
21	Wong Xuk Jikn	440,800	0.46
22	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Joo Wah (E-BSA/TCL)*	436,700	0.46
23	Low Cit Peng	433,100	0.46
24	Lim Hon Seng	402,800	0.42

Analysis of Warrant holdings

THIRTY LARGEST WARRANT HOLDERS (as per Record of Depositors)(Cont'd)

	Name	No. of Warrants	%
25	Ter Leong Swee	400,950	0.42
26	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chang Mei Lun*	358,529	0.38
27	Phillip Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Kim*	339,700	0.36
28	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ooi Shein Din (E-PPG)*	300,000	0.32
29	Law Leh Ting	295,000	0.31
30	Soh Wai Har	284,504	0.30
	Total	**68,146,485**	**71.62**

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 factory and warehouse.	Industry/ Leasehold of 99 years, expiring on 10 Jan 2102	4,027.0 square meters/ 2,896.7 square meters	5,336	11 January 2003	17 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	32,272	02 April 2013	6 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	7,019	26 March 2015	8 years

Notice of Annual **General Meeting**

NOTICE IS HEREBY GIVEN that Fourteenth Annual General Meeting ("**14th AGM**") of PESTEC International Berhad (formerly known as PESTECH International Berhad) ("**PESTEC**" or "**the Company**") will be held at Dewan Berjaya, Bukit Kiara Equestrian and Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 September 2025 at 10.00 a.m. for the purpose of transacting the following businesses:-

Agenda: **Ordinary Resolutions**

1. To receive the Audited Financial Statements for the financial period from 1 October 2023 to 31 March 2025 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 14th AGM to next Annual General Meeting to be held in 2026. *(See Explanatory Note 2)* **Resolution 1**

   b) To approve the payment of Directors' benefits of up to RM187,200/- to the Non-Executive Directors for the period from 1 August 2025 until the next Annual General Meeting to be held in 2026. *(See Explanatory Note 2)* **Resolution 2**

3. To re-elect Mr. Lim Pay Chuan who retires in accordance with Article 118 of the Constitution of the Company. *(See Explanatory Note 3)* **Resolution 3**

4. To re-elect the following directors who retire in accordance with Article 117 of the Constitution of the Company:
   a) Tan Sri Dato' Seri Mohd Zuki bin Ali **Resolution 4**
   b) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai **Resolution 5**
   c) Datuk Mohamed Razeek bin Md Hussain Maricar **Resolution 6**
   d) Dato' Wee Yiaw Hin @ Ong Yiaw Hin **Resolution 7**
   e) Roza Shahnaz Binti Omar **Resolution 8**
   f) Masnizam Binti Hisham **Resolution 9**
   (See Explanatory Note 3)

5. Note that Messrs. Grant Thornton Malaysia PLT has informed their intention not to seek for re-appointment as Auditors of the Company. *(See Explanatory Note 4)*

AS SPECIAL BUSINESS
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 ARTICLE 14 OF THE CONSTITUTION OF THE COMPANY** **Resolution 10**

   "**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 Article 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 5)*

7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")** **Resolution 11**

   The text of the above resolution together with details of the Proposed New Shareholders' Mandate are set out in the Circular to Shareholders dated 3 August 2025. *(See Explanatory Note 6)*

Notice of Annual General Meeting

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 12**

   "**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 7)*

9. To transact any other business for which due notice shall have been given.

By Order of the Board

LEE SOOK PING (SSM PC No. 201908002872) (MAICSA 7057094)
CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)
Company Secretaries

Kuala Lumpur
3 August 2025

Notes:

(1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 27 August 2025 shall be eligible to attend, speak and vote at the 14th 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 14th AGM shall have the same rights as the member to attend, speak and vote at the 14th 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 and vote at the same meeting. Where a member appoints two (2) proxies to attend 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 instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's share registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time appointed for holding the 14th AGM.

(8) The resolutions set out in this Notice of Annual General Meeting will be put to vote by poll.

(9) The 14th AGM will be conducted on physical basis. Members are advised to refer to the Administrative Guide on the registration and voting process for the 14th AGM.

1) Explanatory Notes

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

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 14th AGM until the conclusion of the next Annual General Meeting of the Company in 2026, and Directors' benefits to Non-Executive Directors of the Company for the period from 1 August 2025 until the conclusion of the next Annual General Meeting of the Company in 2026 ("**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.

Notice of Annual General Meeting

Directors' Fees	RM659,100
Meeting Allowance: RM2,000 per meeting for Audit Committee Chairman RM1,500 per meeting for:- • Chairman of Nomination Committee • Chairman of Remuneration Committee • Members of committees	RM 187,200

The Directors' Fees and meeting allowance were determined after taken into consideration, the 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.

3) <u>Re-election of directors</u>

Mr. Lim Pay Chuan retires pursuant to Article 118 of the Constitution of the Company, and being eligible, has offered himself for re-election as a Director of the Company. His position, qualifications and experience, directorships in listed companies, and relationship with other directors and/or major shareholders of the Company are set out in the Directors' Profiles section in the Annual Report 2025.

Ms Helen Tan Miang Kieng retires pursuant to Article 118 of the Constitution of the Company, and will not be seeking for re-election at the 14th AGM due to her other personal commitment. Hence, she shall retire as a Director of the Company at the conclusion of the 14th AGM.

Tan Sri Dato' Seri Mohd Zuki bin Ali, Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai, Datuk Mohamed Razeek bin Md Hussain Maricar, Dato' Wee Yiaw Hin @ Ong Yiaw Hin, Puan Roza Shahnaz Binti Omar and Puan Masnizam Binti Hisham retire pursuant to Article 117 of the Constitution of the Company, and have offered themselves for re-election. Their positions, qualifications and experience, directorships in listed companies, and relationship with other directors and/or major shareholders of the Company are set out in the Directors' Profiles section in the Annual Report 2025.

The Nomination Committee ("NC") has carried out the necessary assessment of the Directors retiring in accordance with Article 117 of the Constitution of the Company in accordance with the Guidelines on Fit and Proper Person of the Company and found them to have met the criteria for a fit and proper person as outlined in the said guidelines. Dato' Wee Yiaw Hin @ Ong Yiaw Hin, Puan Roza Shahnaz binti Omar and Puan Masnizam binti Hisham have also received independent assessment by the NC and were considered to be independent in character and judgement. The Board (save for the above retiring directors who have abstained from deliberation and discussions relating to their own re-election at the NC and Board meetings) supports the re-election of the above Directors retiring pursuant to Article 117 of the Constitution of the Company.

4) <u>Re-appointment of Auditors</u>

Messrs. Grant Thornton Malaysia PLT has informed their intention not to seek for re-appointment as auditors of the Company at this 14th AGM. The Company shall appoint a new auditor. Further announcement will be released once the proposed appointment has been confirmed.

5) <u>Authority to Issue Shares pursuant to the Companies Act 2016</u>

The proposed Ordinary Resolution 10 is to seek a renewal of the general mandate for the issue of up to 10% of the total number of issued shares of the Company pursuant Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the last AGM in 2024. The Company did not issue any new shares after the mandate was obtained at the last AGM.

The proposed Ordinary Resolution 10, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

Pursuant to Section 85(1) of the Companies Act 2016 read together with Article 14 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. The proposed Ordinary Resolution 10, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

6) <u>Proposed New Shareholders' Mandate</u>

The proposed Ordinary Resolution 11 is to enable the Company and/or its subsidiaries to enter into RRPTs which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not detrimental to the minority shareholders of the Company. This would also eliminate the need to make regular announcements to Bursa Malaysia Securities Berhad or convene separate general meetings from time to time to seek shareholders' approval as and when RRPTs arise, thereby reducing substantial administrative time and expenses in convening such meetings.

Further information on the Proposed New Shareholders' Mandate is set out in the Circular to Shareholders dated 3 August 2025 which shall be read together with this Notice.

7) <u>Proposed Renewal of DRP Authority</u>

The proposed Ordinary Resolution 12, 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.

Registration No: 201101019901 (948035 - U)

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2025

Registration No: 201101019901 (948035 - U)

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

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PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 October 2023 to 31 March 2025.

CHANGE OF FINANCIAL YEAR END

The Groups' subsidiaries in Malaysia and the Company have changed its financial year end from 30 September 2024 to 31 March 2025, except for PESTECH Pluginfinite Sdn. Bhd..

CHANGE OF NAME

The Company had on 4 March 2025 changed its name from PESTECH International Berhad to PESTEC International Berhad.

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 7 to the Financial Statements.

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

FINANCIAL RESULTS

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

	Group RM'000	Company RM'000
Loss for the financial period	(339,524)	(257,334)
Attributable to:		
Equity holders of the Company	(341,506)	
Perpetual SUKUK-holders	18,166	
Non-controlling interests	(16,184)	
	(339,524)	

DIVIDENDS

There have been no dividends proposed, declared or paid by the Company since the end of the previous financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

ULTIMATE HOLDING COMPANY

With effect from 18 December 2024, Dhaya Maju Infrastructure (Asia) Sdn. Berhad, a company incorporated in Malaysia has become ultimate holding company of the Company.

DIRECTORS

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

Tan Sri Dato' Seri Mohd Zuki Bin Ali *(Independent Non-Executive Chairman)*(appointed on 18.12.2024)
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai *(Group Executive Director)* (appointed on 18.12.2024)*
Datuk Mohamed Razeek bin Md Hussain Maricar *(Group Managing Director)* (appointed on 18.12.2024)*
Lim Ah Hock *(Non-Independent Non-Executive Director)**
Lim Pay Chuan *(Non-Independent Non-Executive Director)* *
Helen Tan Miang Kieng *(Independent Non-Executive Director)*
Dato' Wee Yiaw Hin @ Ong Yiaw Hin *(Independent Non-Executive Director)* (appointed on 30.4.2025)
Roza Shahnaz Binti Omar *(Independent Non-Executive Director)* (appointed on 30.4.2025)
Masnizam Binti Hisham *(Independent Non-Executive Director)* (appointed on 9.7.2025)
Hoo Siew Lee *(Independent Non-Executive Director)* (resigned on 27.3.2025)
Lim Peir Shenq *(Executive Director)* (resigned on 2.2.2024)
Dato' Harjit Singh A/L Gurdev Singh *(Non-Independent and Non-Executive Director)* (appointed on 27.5.2024; resigned on 19.6.2025)
Ir. Amir bin Yahya *(Senior Independent Non-Executive Director)* (resigned on 24.5.2024)
Ng Chee Hoong *(Independent Non-Executive Director)* (retired on 26.3.2024)

* *Director of the Company and certain subsidiaries*

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

Pan Seng Wee (appointed on 7.12.2023; resigned on 13.5.2025)
Datuk Shaharuddin Bin Md Som (appointed on 7.5.2025)
Manindar Singh Chawla (appointed on 7.5.2025)
Jifri bin Abd Hamid (appointed on 19.3.2025)
Shahril Bin Mokhtar (appointed on 20.12.2024; resigned on 5.3.2025)
Tann Sochan (appointed on 4.9.2024)
Zhu ZiBing (ceased on 3.6.2024)
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

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 period end are as follows:

	Number of ordinary shares			
	At 1.10.2023	Bought	Sold	At 31.3.2025
The Company				
Direct interests				
Lim Ah Hock	300,093,855	3,400,000	(93,818,400)	209,675,455
Lim Pay Chuan	190,221,870	-	(73,971,200)	116,250,670
Helen Tan Miang Kieng	558,750	-	(258,750)	300,000
Indirect interests				
Lim Ah Hock#	3,892,830	-	-	3,892,830
Lim Pay Chuan@	1,320,080	-	-	1,320,080
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai^	1,333,335,000*	-	-	1,333,335,000
Datuk Mohamed Razeek bin Md Hussain Maricar^	1,333,335,000*	-	-	1,333,335,000

	Number of warrants (2021/2028)			
	At 1.10.2023	Granted	Sold	At 31.3.2025
The Company				
Direct interests				
Lim Ah Hock	31,876,075	-	-	31,876,075
Lim Pay Chuan	18,816,887	-	-	18,816,887
Helen Tan Miang Kieng	55,875	-	-	55,875
Indirect interests				
Lim Ah Hock#	389,283	-	-	389,283
Lim Pay Chuan@	132,008	-	-	132,008

(*) At date of appointment on 18 December 2024
(^) deemed interet by virtue of his shareholdings in Dhaya Maju Infrastructure (Asia) Sdn. Berhad
(#) deemed interest by virtue of his shareholdings in Vestech Projects Sdn. Bhd. and Kumpulan Liva Sdn. Bhd.
(@) deemed interest by virtue of his shareholdings in Vestech Projects Sdn. Bhd.

DIRECTORS' INTERESTS (CONT'D)

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 period are as follows (cont'd):

	Number of ordinary shares			
	At 1.10.2023	Bought	Sold	At 31.3.2025
Ultimate Holding Company - Dhaya Maju Infrastructure (Asia) Sdn. Berhad				
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
Subsidiary – PESTECH (Cambodia) PLC				
Direct interests				
Lim Ah Hock	45,609	-	-	45,609
Lim Pay Chuan	94,898	-	-	94,898
Subsidiary – PESTECH System Siam Ltd				
Direct interests				
Lim Ah Hock	1	-	-	1
Lim Pay Chuan	1	-	-	1

(*) At date of appointment on 18 December 2024

By virtue of their interests in the ordinary shares of the Company, Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai, Datuk Mohamed Razeek bin Md Hussain Maricar, Mr. Lim Ah Hock and Mr. Lim Pay Chuan 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 period had any interest in the ordinary shares and warrants of the Company or its related corporations during the financial period.

DIRECTORS' FEES AND BENEFITS

The aggregate remuneration received by the Directors of the Company during the financial period ended 31 March 2025 are as follows:

	Group 31.3.2025 RM'000	Company 31.3.2025 RM'000
Executive Directors:		
Salaries and other emoluments	4,451	3,639
Defined contribution plan	431	413
	4,882	4,052
Non-Executive Directors:		
Fees	588	391
Salaries and other emoluments	87	87
	675	478
Sub-total	5,557	4,530
Benefits-in-kind	52	52
Total	5,609	4,582

During and at the end of the financial period, 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 a related corporation with the Director or with a firm of which he/she is a member, or with a company or related corporation in which the Director has a substantial financial interest, other than those disclosed in Note 33.1 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

On 28 November 2024, the Company has provided an indemnity to all Directors and officers of the Group up to RM5 million in accordance with Section 289 of the Companies Act 2016.

Subsequent to the financial period ended, the Company had on 11 April 2025 procured a Directors' and Officers' Liability Insurance for Directors and officers of the Group. The total amount of indemnity coverage and its insurance premium amounted to RM10 million and RM97,210 respectively.

During the financial period, the Company has provided indemnity to two Directors of the Company in respect of their personal guarantee for a term loan of RM35 million obtained by the Company from a bank.

ISSUE OF SHARES AND DEBENTURES

The Company had on 18 December 2024, allotted 1,333,335,000 ordinary shares at RM0.12 per share for a total cash consideration of RM160,000,200. This proceed was utilised to repay certain bank borrowings and to support operational and working capital requirements as detailed in Note 37 to the financial statements. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares issued by the Company.

There were no issuance of debentures during the financial period.

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 Warrants 2021/2028 have been exercised since the date of issuance.

TREASURY SHARES

During the financial period ended, there was no repurchase of the Company's issued ordinary shares, resale, cancellation or distribution of treasury shares. As at 31 March 2025, 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 17 to the Financial Statements.

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 period ended 31 March 2025.

OTHER STATUTORY INFORMATION

Before the Financial Statements of the Group and of the Company were made out, 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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 provision 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 period 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 period.

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 period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial period 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 period 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 period in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND AFTER THE REPORTING DATE

The significant events during the financial period and after the reporting date are disclosed in Note 37 to the Financial Statements.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT is not seeking reappointment as auditors.

The total amount of audit and other fees paid or payable to the Auditors by the Group and the Company for the financial period ended 31 March 2025 amounted to RM466,300 and RM150,000 respectively. Further details are disclosed in Note 26 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial period.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

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

) DIRECTORS

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

1 August 2025

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 20 to 104 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 2025 and of their financial performance and cash flows for the financial period from 1 October 2023 to 31 March 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

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

1 August 2025

STATUTORY DECLARATION

I, Periasamy Sinnan, being the Officer primarily responsible for the financial management of PESTEC International Berhad (formerly known as PESTECH International Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 20 to 104 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)
1 August 2025) ………..…..……………………………………………

PERIASAMY SINNAN

Before me:

No: W 924
Mohd Omar Nathan Bin Abdullah

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

PESTEC INTERNATIONAL BERHAD
(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)
Registration No: 201101019901 (948035 - U)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PESTEC International Berhad (formerly known as PESTECH International Berhad), which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, 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 financial period from 1 October 2023 to 31 March 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 20 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2025, and of their financial performance and cash flows for the financial period from 1 October 2023 to 31 March 2025 in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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 opinion.

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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on the Audit of the Financial Statements (cont'd)

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, during the financial period, the Group and the Company had incurred a net loss attributable to owners of the Company of RM341,506,000 and RM257,334,000 respectively. As at 31 March 2025, the Group's and the Company's total current liabilities exceeded total current assets by RM26,490,000 and RM114,361,000 respectively.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

As disclosed in Note 2 to the Financial Statements, the ability of the Group and of the Company to continue as a going concern are highly dependent on the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and the Company; the continuous financial support provided by the financial institutions, creditors and holding company; and continuous effort in tendering and securing profitable projects.

If these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Our opinion is not modified in respect of this matter.

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 financial period. 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 Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Group

Revenue and cost recognition for construction contracts and concession arrangement

The risk –
The revenue and cost recognition for construction contracts and concession arrangement are recognised in accordance to the accounting policies as detailed in Notes 3.6.1, 3.6.2, 4.8, 4.9.1, 4.10, 10 and 25 to the Financial Statements.

We focus on this area as significant management's judgement and estimates are involved in determining the following:

(i) transaction price for construction contracts which include significant financing component;
(ii) relative fair values of the services delivered and allocation of the consideration received or receivable of each performance obligation;

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Revenue and cost recognition for construction contracts and concession arrangement (cont'd)

The risk (cont'd) –

We focus on this area as significant management's judgement and estimates are involved in determining the following (cont'd):

(iii) stage of completion using the output method which is based on the level of completion of the development phase of the projects which is certified by professional engineers or consultants;
(iv) extent of contract cost incurred to-date;
(v) total construction contract cost and cost to completion; and
(vi) provision for liquidated ascertained damages.

Our response –
In addressing this area of focus, we have performed, amongst others, the following procedures:

- perused terms and conditions stipulated in the agreements with customers and subcontractors/suppliers for individually significant contract and assessed their relationship to the revenue and costs recognised;
- assessed total construction contract revenue by examining evidences such as construction contracts, approved variation orders and correspondences with customers and verified the progress billings. In instances where projects have been delayed, assessed the necessity of the provision for liquidated ascertained damages based on the management's estimates and reviewed the supporting documentation such as correspondences with customers or consultants, extension of time approvals and work progress reports indicating reasons for delays;
- evaluated the appropriateness and the consistency of key assumptions used by the management to determine the transaction price for construction contracts which include significant financing component, fair value of the services to be delivered and the basis of the allocation of the consideration received and/or receivable to each service;
- checked the stage of completion of construction contracts on a sample basis to internal progress reports certified by professional engineers or consultants;
- assessed basis used in determining the budgeted contract cost;
- assessed actual costs incurred and accrued costs by examining evidences such as contractors' progress claims and suppliers' invoices issued during the financial period and/or subsequent to the financial period; and
- interviewed management's project team on the achievability of the forecasted costs to completion of the individually significant projects.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Recoverability of trade receivables and contract assets

The risk –
As at 31 March 2025, the Group's total trade receivables and contract assets represented about 73% of the total assets of the Group.

We focused on this area as significant management judgement is required to assess the recoverability of trade receivables and contract assets. Management performed a detailed analysis taking into account customer's ageing profile, credit history and historical payment pattern and the forward-looking information for the estimation of expected credit losses ("ECLs") on its trade receivables and contract assets. The accounting policies, accounting judgements and estimates and disclosures for the impairment of trade receivables and contract assets are included in Notes 3.6.1, 4.6.1, 10, 12 and 34.2(a) to the Financial Statements.

Our response –
In addressing this area of focus, we have performed, amongst others, the following procedures:

- obtained an understanding on how the Group identifies and assesses ECL for trade receivables and contract assets;
- reviewed the key data sources and assumptions for data used in the determination of default rate and the current and forward-looking adjustment factor;
- considered the age of the debts as well as the trend of collections to identify the collection risks;
- obtained receivables confirmation and review collectability by way of obtaining evidence of receipts from the debtors on a sampling basis subsequent to period end; and
- discussed with management and the Board of Directors on the recoverability of long outstanding debts, analysed the Group's trend of collections for long outstanding trade receivables and review legal case files.

Impairment assessment of property, plant and equipment

The risk –
We identified the carrying amount of the property, plant and equipment as a key audit matter because of the significance of the carrying amount of such asset to the consolidated financial statements and because the discounted cash flow projection used for the purpose of impairment assessments involves identifying assets which are unlikely to be deployed in economic service in the future, and estimating future cash flows, growth rates and discount rates, which are subject to a significant degree of judgement and could be subject to management bias.

The Group's disclosures regarding the impairment of property, plant and equipment are included in Notes 3.6.1, 4.2 and 5 to the Financial Statements.

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Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Impairment assessment of property, plant and equipment (cont'd)

Our response –
In addressing this area of focus, we have performed, amongst others, the following procedures:
- discussed indicators of impairment of property, plant and equipment with management, and for cash-generating units where such indicators were identified, assessed whether management had performed impairment testing in accordance with the requirements of the prevailing accounting standards;
- evaluated the assumptions adopted in the preparation of the discounted cash flow projection, including projected future growth rates for income and expenses and discount rates with reference to our understanding of the business, historical trends and available industry information and market data; and
- performed sensitivity analyses on the key assumption, including projected profitability, expected growth rates and discount rates adopted in the discounted cash flow projection and assessed whether there were any indicators of management bias in the selection of these assumptions.

Company

Investment in subsidiaries and amount due from subsidiaries

The risk –
Significant judgements are required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries and amount due from subsidiaries. This is based on fair value or value-in-use which using cash flow projections, covering a five-year period for each CGU. The assumptions with the most significant judgement on the cash flow projections are growth rates and profit margins.

The Company's disclosures about investment in subsidiaries and amount due from subsidiaries are included in Notes 7 and 14(b) to the Financial Statements.

Our response –
In addressing this area of focus, we have performed, amongst others, the following procedures:
- discussed indicators of impairment with management, assessed the fair value of net tangible assets of the subsidiaries and for cash-generating units where such indicators were identified, assessed whether management had performed impairment testing in accordance with the requirements of the prevailing accounting standards;
- evaluated the assumptions adopted in the preparation of the discounted cash flow projection, including projected future growth rates for income and expenses and discount rates with reference to our understanding of the business, historical trends and available industry information and market data; and

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Company (cont'd)

Investment in subsidiaries and amount due from subsidiaries (cont'd)

Our response (cont'd) –

- performed sensitivity analyses on the key assumption, including projected profitability, expected growth rates and discount rates adopted in the discounted cash flow projection and assessed whether there were any indicators of management bias in the selection of these assumptions.

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprise 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.

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 or the Company or to cease operations, or have no realistic alternative but to do so.

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 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 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.

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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, actions taken to eliminate threats or safeguards applied.

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 period 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 the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the Financial Statements.

Registration No: 201101019901 (948035 - U)

Other Matter

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.

GRANT THORNTON MALAYSIA PLT (201906003682 & LLP0022494-LCA) CHARTERED ACCOUNTANTS (AF 0737)	LIM SOO SIM (NO: 03335/11/2025 J) CHARTERED ACCOUNTANT

Kuala Lumpur
1 August 2025

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025

		Group		Company	
	Note	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	174,515	213,973	360	559
Intangible assets	6	-	715	-	-
Investment in subsidiaries	7	-	-	92,154	218,945
Investment in associates	8	-	898	-	-
Derivative financial assets	9	-	2,530	-	-
Contract assets	10	542,983	804,792	-	-
Amount due from subsidiaries	14	-	-	225,584	206,054
Total non-current assets		717,498	1,022,908	318,098	425,558
Current assets					
Contract assets	10	635,878	957,648	-	-
Inventories	11	56,843	29,052	-	-
Trade receivables	12	184,826	182,693	-	-
Other receivables	13	48,420	142,960	56	281
Amount due from ultimate holding company	14	27,981	-	-	-
Amount due from subsidiaries	14	-	-	37,535	160,519
Amount due from associate	14	6,874	3,513	-	-
Tax recoverable		3,671	5,149	-	70
Cash and short-term deposits	15	176,272	157,366	103,760	30,619
Total current assets		1,140,765	1,478,381	141,351	191,489
Total assets		1,858,263	2,501,289	459,449	617,047
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	392,942	232,942	392,942	232,942
Treasury shares	17	(4,183)	(4,183)	(4,183)	(4,183)
Reserves	18	8,294	18,971	-	-
(Accumulated loss)/Retained earnings		(250,328)	91,178	(267,022)	8,478
Equity attributable to owners of the Company		146,725	338,908	121,737	237,237
Perpetual SUKUK	19	82,000	100,000	82,000	100,000
Non-controlling interests	7	15,997	35,600	-	-
Total equity		244,722	474,508	203,737	337,237
LIABILITIES					
Non-current liabilities					
Derivative financial liabilities	9	1,673	3,191	-	-
Lease liabilities	20	8,733	10,414	-	-
Loans and borrowings	21	320,122	650,012	-	-
Deferred tax liabilities	22	5,413	6,556	-	-
Trade payables	23	61,416	5,816	-	-
Other payables	24	48,929	-	-	-
Total non-current liabilities		446,286	675,989	-	-

PESTEC INTERNATIONAL BERHAD
(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025 (CONT'D)

	Note	Group		Company	
		31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Contract liabilities	10	10,359	10,959	-	-
Trade payables	23	373,028	685,092	-	-
Other payables	24	139,720	181,633	20,529	16,923
Amount due to ultimate holding company	14	-	-	269	-
Amount due to subsidiaries	14	-	-	130,705	139,157
Lease liabilities	20	417	1,342	-	27
Loans and borrowings	21	639,894	466,396	101,575	123,703
Derivative financial liabilities	9	-	1,722	-	-
Tax payable		3,837	3,648	2,634	-
Total current liabilities		1,167,255	1,350,792	255,712	279,810
Total liabilities		1,613,541	2,026,781	255,712	279,810
Total equity and liabilities		1,858,263	2,501,289	459,449	617,047

The accompanying notes form an integral part of the financial statements.

Registration No: 201101019901 (948035 - U)

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025

	Note	Group 1.10.2023 to 31.3.2025 RM'000	Group 1.7.2022 to 30.9.2023 RM'000	Company 1.10.2023 to 31.3.2025 RM'000	Company 1.7.2022 to 30.9.2023 RM'000
Revenue	25	591,994	592,997	23,345	25,041
Operating expenses	26	(599,221)	(776,409)	(25,752)	(19,810)
Other operating income	27	16,026	1,160	16	3
Impairment losses on financial assets		(256,298)	(13,435)	(143,898)	-
Other losses	28	(10,814)	(22,877)	(123,449)	(7,840)
Operating loss		(258,313)	(218,564)	(269,738)	(2,606)
Loss from disposal of concession asset		-	(110,846)	-	-
Share of loss of equity-accounted associate	8	(898)	(332)	-	-
Loss before interest and tax		(259,211)	(329,742)	(269,738)	(2,606)
Finance income	29	46,728	48,148	35,661	24,459
Finance costs	29	(121,151)	(108,329)	(20,079)	(17,424)
(Loss)/Profit before tax		(333,634)	(389,923)	(254,156)	4,429
Tax expense	30	(5,890)	(8,331)	(3,178)	(2,829)
(Loss)/Profit for the financial period		(339,524)	(398,254)	(257,334)	1,600
Other comprehensive (loss)/income:					
Items that will be reclassified subsequently to profit or loss					
- Exchange translation differences		(10,084)	25,570	-	-
- Fair value (loss)/gain on cash flows hedge		(4,012)	1,703	-	-
Total comprehensive (loss)/income for the financial period		(353,620)	(370,981)	(257,334)	1,600
(Loss)/Profit for financial period attributable to:					
Owners of the Company		(341,506)	(334,288)		
Perpetual SUKUK-holders		18,166	5,915		
Non-controlling interests		(16,184)	(69,881)		
		(339,524)	(398,254)		
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(352,183)	(314,233)		
Perpetual SUKUK-holders		18,166	5,915		
Non-controlling interests		(19,603)	(62,663)		
		(353,620)	(370,981)		
Loss per share attributable to the owners of the Company:					
Basic loss per share (RM)	31	(0.28)	(0.34)		
Diluted loss per share (RM)	31	(0.28)	(0.34)		

The accompanying notes form an integral part of the financial statements.

PESTEC INTERNATIONAL BERHAD

(formerly known as PESTECH International Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025

	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 loss) RM'000	Total RM'000	Perpetual SUKUK RM'000	Non-controlling interests RM'000	Total equity RM'000
Group											
At 1 July 2022, restated	232,942	(4,183)	(1,336)	24,855	8,534	(33,137)	425,466	653,141	100,000	174,342	927,483
Loss/(Profit) for the financial period	-	-	-	-	-	-	(334,288)	(334,288)	5,915	(69,881)	(398,254)
Other comprehensive income for the financial period	-	-	2,575	17,480	-	-	-	20,055	-	7,218	27,273
Total comprehensive income/(loss) for the financial period	-	-	2,575	17,480	-	-	(334,288)	(314,233)	5,915	(62,663)	(370,981)
Transactions with owners:											
Dividend paid to ordinary shareholders	-	-	-	-	-	-	-	-	-	(76,079)	(76,079)
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(5,915)	-	(5,915)
At 30 September 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:											
Issuance of shares pursuant to restricted issue	160,000	-	-	-	-	-	-	160,000	-	-	160,000
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(18,166)	-	(18,166)
Redemption of 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

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025 (CONT'D)

	Share capital RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated loss) RM'000	Perpetual SUKUK RM'000	Total RM'000
Company					
At 1 July 2022, restated	232,942	(4,183)	12,793	100,000	341,552
Total comprehensive (loss)/income for the financial period	-	-	(4,315)	5,915	1,600
Transaction with owners:					
Distribution to Perpetual SUKUK-holders	-	-	-	(5,915)	(5,915)
At 30 September 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 of 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

The accompanying notes form an integral part of the financial statements.

Registration No: 201101019901 (948035 - U)

PESTEC INTERNATIONAL BERHAD

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025

	Note	Group 1.10.2023 to 31.3.2025 RM'000	Group 1.7.2022 to 30.9.2023 RM'000	Company 1.10.2023 to 31.3.2025 RM'000	Company 1.7.2022 to 30.9.2023 RM'000
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(333,634)	(389,923)	(254,156)	4,429
Adjustments for:					
Loss from disposal of concession asset		-	110,846	-	-
Bad debts written off		2,239	-	-	-
Fair value (gain)/loss on derivative financial instruments		(4,289)	107	-	-
Intangible assets - amortisation		-	4,408	-	-
Intangible assets - impairment		-	18,099	-	-
Impairment of investment in subsidiaries		-	-	124,868	-
Impairment of amount due from subsidiaries		-	-	143,898	-
Impairment of amount due from associate		1,485	-	-	-
Impairment of receivables		24,458	13,435	-	-
Impairment of contract asset		230,355	-	-	-
Written down of inventories		500	-	-	-
Fair value loss from contract modification		14,143	-	-	-
Gain on lease termination		(151)	(70)	-	-
Gain arising from disposal of subsidiaries		(17,588)	-	(524)	-
Interest expense		121,151	108,329	20,079	17,424
Interest income		(12,761)	(6,815)	(35,661)	(24,459)
Interest income arising from contract with customers		(33,967)	(41,333)	-	-
Property, plant and equipment - depreciation		19,787	21,298	226	585
Property, plant and equipment - gain on disposal		(1,617)	(369)	-	-
Property, plant and equipment - impairment		-	30,005	-	-
Property, plant and equipment - written off		534	7	-	-
Provision of performance bond		-	39,900	-	-
Share of loss of equity-accounted associate		898	332	-	-
Unrealised loss/(gain) on foreign exchange		17,270	(19,980)	(906)	7,795
Operating profit/(loss) before working capital changes		28,813	(111,724)	(2,176)	5,774
Changes in working capital:					
Inventories		(30,086)	511	-	-
Receivables		41,136	58,290	266	236
Payables		(172,941)	82,502	2,077	16,145
Contract customers		292,767	(16,000)	-	-
Associates		(4,846)	(680)	-	-
Ultimate holding company		(27,981)	-	-	-
Cash generated from operations		126,862	12,899	167	22,155
Interest received		1,791	2,300	35,661	24,459
Interest paid		(117,924)	(105,029)	(20,079)	(17,424)
Tax refunded		624	106	-	13
Tax paid		(5,299)	(6,253)	(474)	(1,604)
Net cash from/(used in) operating activities		6,054	(95,977)	15,275	27,599
INVESTING ACTIVITIES					
Subscription of shares in subsidiaries		-	-	-	(1,016)
Redemption of derivative financial instruments		(463)	-	-	-
(Advances to)/repayment from subsidiaries		-	-	(42,812)	22,408
Purchase of property, plant and equipment	A	(222)	(4,760)	(27)	(1)
Proceeds from disposal of property, plant and equipment		8,593	426	-	-
Proceeds from disposal of subsidiaries, net of cash disposal		702	-	2,448	-
Proceeds from disposal of concession asset (excluding retention sum of USD14.2 million, approximately of RM66.4 million)		-	467,558	-	-
Net cash from/(used in) investing activities		8,610	463,224	(40,391)	21,391

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025 (CONT'D)

	Note	Group 1.10.2023 to 31.3.2025 RM'000	Group 1.7.2022 to 30.9.2023 RM'000	Company 1.10.2023 to 31.3.2025 RM'000	Company 1.7.2022 to 30.9.2023 RM'000
FINANCING ACTIVITIES					
Advances from directors		-	-	1,650	-
Advances from ultimate holding company	B	-	-	269	-
Dividend paid to non-controlling interests of a subsidiary		-	(76,079)	-	-
Distribution to Perpetual SUKUK-holders		(18,166)	(5,915)	(18,166)	(5,915)
Redemption of Perpetual SUKUK-holders		(18,000)	-	(18,000)	-
Repayments to related companies	B	-	-	(8,452)	(78,837)
Net proceeds from issuance of shares pursuant to restricted issue		160,000	-	160,000	-
Net drawdown/(repayments) of short-term borrowings	B	28,799	(129,377)	(18,637)	2,775
Withdrawal/(Placement) of fixed deposits and debt service reserve accounts with licensed institutions		60,608	15,007	(547)	(6,465)
Drawdown from term loans	B	22,760	104,869	-	35,000
Repayments of term loans	B	(131,678)	(273,167)	-	-
Repayments of lease liabilities	B	(994)	(2,603)	(27)	(145)
Net cash from/(used in) financing activities		103,329	(367,265)	98,090	(53,587)
CASH AND CASH EQUIVALENTS					
Net changes		117,993	(18)	72,974	(4,597)
Brought forward		6,188	3,929	(880)	3,717
Effects of translation differences		(2,256)	2,277	-	-
Carried forward	C	121,925	6,188	72,094	(880)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 31.3.2025 RM'000	Group 30.9.2023 RM'000	Company 31.3.2025 RM'000	Company 30.9.2023 RM'000
Aggregate cost of property, plant and equipment acquired	877	6,567	27	1
Financed via lease liabilities arrangements	(655)	(1,807)	-	-
Total cash acquisition	222	4,760	27	1

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

31.3.2025	At beginning of financial period RM'000	Cash flows RM'000	Others RM'000	At end of financial period 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 related companies	139,157	(8,452)	-	130,705
Amount due to 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)	-	-

PESTEC INTERNATIONAL BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2023 TO 31 MARCH 2025 (CONT'D)

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

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

30.9.2023	At beginning of financial period RM'000	Cash flows RM'000	Others RM'000	At end of financial period RM'000
Group				
Borrowings	415,932	(129,377)	5,324 [a]	291,879
Term loans	899,606	(168,298) [c]	46,120 [a]	777,428
Lease liabilities	12,835	(2,603)	1,524 [b]	11,756
Company				
Amount due to related companies	217,994	(78,837)	-	139,157
Borrowings	80,666	2,775	4,261 [a]	87,702
Term loans	-	35,000	-	35,000
Lease liabilities	172	(145)	-	27

[a] Being exchange translation differences and unrealised foreign exchange.

[b] Being acquisition of property, plant and equipment by means of lease liabilities arrangement, lease termination and translation reserve (as disclosed in Note 20 to the Financial Statements).

[c] The amount are net of drawndown and repayment during the financial period.

C. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
Cash and bank balances	130,988	99,638	72,715	121
Fixed deposits with licensed institutions	45,284	57,728	31,045	30,498
Bank overdrafts (Note 21)	(10,878)	(47,101)	(621)	(1,001)
	165,394	110,265	103,139	29,618
Less:				
- Fixed deposits pledged to licensed institutions	(8,952)	(57,728)	(31,045)	(30,498)
- Debt service reserve accounts, included in cash and bank balances	(34,517)	(46,349)	-	-
	121,925	6,188	72,094	(880)

D. CASH OUTFLOWS FROM LEASES AS A LESSEE

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Included in net cash from/(used in) operating activities:				
- Interest paid in related to lease liabilities	1,071	1,240	-	3
- Payment of short-term leases	3,731	3,885	923	930
Included in net cash from/(used in) financing activities:				
- Payment of lease liabilities	994	2,603	27	145
	5,796	7,728	950	1,078

PESTEC INTERNATIONAL BERHAD

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025

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 Groups' subsidiaries in Malaysia and the Company have changed its financial year end from 30 September 2024 to 31 March 2025, except for PESTECH Pluginfinite Sdn. Bhd..

The Company had on 4 March 2025 changed its name from PESTECH International Berhad to PESTEC International 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 7 to the Financial Statements.

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

With effect from 18 December 2024, the Directors regard Dhaya Maju Infrastructure (Asia) Sdn. Berhad as the ultimate holding company, which is incorporated and domiciled in Malaysia.

The address of the registered office of business of the Company is as follows:

Level 12, Wisma Masyhur 2
3 Jalan Semantan,
Damansara Heights,
50490 Kuala Lumpur
Malaysia

The address of the principal place of business of the Company is as follows:

Wisma Masyhur 2
3 Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Malaysia

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 1 August 2025.

2. GOING CONCERN

During the financial period, the Group and the Company had incurred a net loss attributable to owners of the Company of RM341,506,000 and RM257,334,000 respectively. As at 31 March 2025, the Group's and the Company's total current liabilities exceeded total current assets by RM26,490,000 and RM114,361,000 respectively.

Notwithstanding the above, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. The Board of Directors of the Company are of the opinion the Group and the Company will be able to continue as going concerns for the foreseeable future. The ability of the Group and the Company to continue as going concerns is dependent on:

(i) the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and of the Company;
(ii) the continuous financial support provided by the financial institutions, creditors and holding company; and
(iii) continuous effort in tendering and securing profitable projects.

The holding company has agreed to provide continuing financial support for the Group and the Company to meet its liabilities as and when they fall due.

As disclosed in Note 37(d) to the Financial Statements, the Company has undertaken Restricted issue of 1,333,000,000 new ordinary shares for a total consideration of RM160,000,000 during the financial period. The Company has further undertaken an additional Restricted issue of 232,000,000 new ordinary shares for a total consideration of RM27,815,000 subsequent to the financial period. The proceeds raised are mainly utilised for repayment of bank borrowings as mentioned under Note 37(e) to the Financial Statements, operational requirements, working capital and expenses related to this corporate exercise.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

3. BASIS OF PREPARATION

3.1 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.

3.2 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.

3. BASIS OF PREPARATION (CONT'D)

3.3 Functional and presentation currency

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

3.4 Adoption of amendments/improvements to MFRSs

At the beginning of the current financial period, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2023.

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.

3.5 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:

MFRS and Amendments to MFRSs effective 1 January 2024:

Amendments to MFRS 16	Leases – Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non- current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements

Amendments to MFRSs effective 1 January 2025:

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Amendments to MFRSs effective 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Amendments that are part of Annual Improvement – Volume 11

MFRSs effective 1 January 2027:

Amendments to MFRS 18	Presentation and Disclosure in Financial Statements
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures

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 to the financial statements of the Group and the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

3. BASIS OF PREPARATION (CONT'D)

3.5 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.

3.6 Significant accounting estimates and judgements

3.6.1 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 period.

At 31 March 2025, 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 5 to the Financial Statements.

A 1% (30.9.2023: 1%) difference in the expected useful lives of the property, plant and equipment from the management's estimates would result in approximately 1% (30.9.2023: 1%) variance in the Group's loss for the financial period.

<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.

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 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 asset 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 period 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.

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 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 34.2(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.

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 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).

3.6.2 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 & market risks including subsequent asset transfer.

4. MATERIAL ACCOUNTING POLICIES

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

4.1 Consolidation

4.1.1 Subsidiaries

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

4.1.2 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.

4.1.3 Associate

The Group's investment in an associate is accounted for using equity method. In the Company's statement of financial position, investment in an associate is measured at cost less any impairment.

4.2 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 period 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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Intangible assets - rights

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

4.4 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 expense on a straight-line basis over the lease term.

4.5 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on a first-in-first-out basis.

4.6 Financial instruments

4.6.1 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, fixed and short term deposits with licensed institutions and cash and bank balances.

4.6.2 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.

4. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

4.7 **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.

4.8 **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 4.9 to the Financial Statements.

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 4.6 to the Financial Statements.

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 4.2 to the Financial Statements. Cost and expenditures related to the building of power transmission system are recognised as construction cost in profit or loss in the financial period 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 4.11 to the Financial Statements.

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

4.9 **Revenue**

4.9.1 **Revenue from contract customer**

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

<u>Construction contracts</u>

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.9 Revenue (cont'd)

4.9.1 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 the Company 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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.9 Revenue (cont'd)

4.9.1 Revenue from contract customer (cont'd)

<u>Revenue from concession arrangement</u>

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 4.10 to the financial statements.

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

4.9.2 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.

4.10 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.

4.11 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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.11 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 the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5. 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 July 2022	10,971	3,937	48,088	105,593	4,880	88,974	5,175	17,126	24,904	309,648
Additions	-	-	-	3,331	24	1,102	-	300	1,810	6,567
Disposals	-	-	-	-	-	(698)	(397)	(72)	-	(1,167)
Lease termination	-	-	-	-	-	-	-	-	(1,476)	(1,476)
Written off	-	-	-	-	(13)	-	-	(47)	-	(60)
Translation differences	-	-	-	6,817	22	4,683	244	108	856	12,730
At 30 September 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 subsidiary	-	(2,280)	(1,784)	-	-	-	-	(377)	-	(4,441)
Lease termination	-	-	-	-	-	-	-	-	(4,587)	(4,587)
Written off	-	-	-	-	(670)	(236)	-	(216)	-	(1,122)
Transfer	-	-	-	-	-	-	-	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
Accumulated impairment										
At 1 July 2022	-	-	-	-	-	-	-	-	-	-
Impairment for the financial period	-	-	-	26,698	-	522	-	470	2,315	30,005
At 31 March 2025 / 30 September 2023	-	-	-	26,698	-	522	-	470	2,315	30,005

5. **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 July 2022	-	528	4,634	2,264	1,662	26,655	3,284	11,891	9,742	60,660
Charge for the financial period	-	263	1,016	6,872	203	6,428	598	2,720	3,198	21,298
Disposals	-	-	-	-	-	(680)	(397)	(33)	-	(1,110)
Lease termination	-	-	-	-	-	-	-	-	(595)	(595)
Written off	-	-	-	-	(7)	-	-	(46)	-	(53)
Translation differences	-	-	-	397	3	1,266	174	70	154	2,064
At 30 September 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 subsidiary	-	(325)	(248)	-	-	-	-	(220)	-	(793)
Lease termination	-	-	-	-	-	-	-	-	(3,100)	(3,100)
Written off	-	-	-	-	(314)	(145)	-	(129)	-	(588)
Transfer	-	-	-	-	-	-	-	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
Carrying amount										
At 31 March 2025	3,999	941	39,685	69,230	1,955	49,403	763	1,981	6,558	174,515
At 30 September 2023	10,971	3,146	42,438	79,510	3,052	59,870	1,363	2,343	11,280	213,973

5. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	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
Company						
Cost						
At 1 July 2022	175	3	-	2,260	2,122	4,560
Additions	-	-	-	1	-	1
At 30 September 2023	175	3	-	2,261	2,122	4,561
Additions	-	-	-	27	-	27
Disposal	-	-		-	(1,945)	(1,945)
At 31 March 2025	175	3	-	2,288	177	2,643
Accumulated depreciation						
At 1 July 2022	65	2	-	1,627	1,723	3,417
Charge for the financial period	22	-	-	190	373	585
At 30 September 2023	87	2	-	1,817	2,096	4,002
Charge for the financial period	26	1	-	173	26	226
Disposal	-	-		-	(1,945)	(1,945)
At 31 March 2025	113	3	-	1,990	177	2,283
Carrying amount						
At 31 March 2025	62	-	-	298	-	360
At 30 September 2023	88	1	-	444	26	559

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

	Group	
	31.3.2025 RM'000	30.9.2023 RM'000
Freehold land	3,999	10,971
Leasehold land	941	1,351
Buildings	39,302	40,692
Solar power plant	69,230	79,510
	113,472	132,524

5. 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 July 2022	11,329	1,888	1,945	15,162
Lease termination	(881)	-	-	(881)
Additions	1,810	-	-	1,810
Depreciation	(1,500)	(1,306)	(392)	(3,198)
Impairment	(2,303)	(12)	-	(2,315)
Translation differences	702	-	-	702
At 30 September 2023	9,157	570	1,553	11,280
Lease termination	(1,487)	-	-	(1,487)
Additions	655	-	-	655
Depreciation	(1,282)	(500)	(6)	(1,788)
Transfer	-	-	(1,545)	(1,545)
Translation differences	(555)	-	(2)	(557)
At 31 March 2025	6,488	70	-	6,558
Company				
At 1 July 2022	-	399	-	399
Depreciation	-	(373)	-	(373)
At 30 September 2023	-	26	-	26
Depreciation	-	(26)	-	(26)
At 31 March 2025	-	-	-	-

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.

The impairment loss recognised represents the excess of carrying amount over the recoverable amount. The recoverable amount of the affected assets were determined based on the fair value less costs of disposal method and value-in-use method. For value-in-use method, the management applied discounted cash flow projections covering a 20 year period with 11.7% pre-tax discount rate.

6. INTANGIBLE ASSETS

	Rights RM'000	Goodwill RM'000	Total RM'000
Group			
Cost			
At 1 July 2022	114,713	3,304	118,017
Disposal	(90,508)	-	(90,508)
Translation differences	2,348	-	2,348
At 30 September 2023	26,553	3,304	29,857
Disposal of subsidiary	-	(715)	(715)
At 31 March 2025	26,553	2,589	29,142
Accumulated impairment			
At 1 July 2022	-	-	-
Impairment for the financial period	15,510	2,589	18,099
At 31 March 2025/30 September 2023	15,510	2,589	18,099
Accumulated amortisation			
At 1 July 2022	25,218	-	25,218
Amortisation during the financial period	4,408	-	4,408
Disposal	(19,007)	-	(19,007)
Translation differences	424	-	424
At 31 March 2025/30 September 2023	11,043	-	11,043
Carrying amount			
At 31 March 2025	-	-	-
30 September 2023	-	715	715

i. Concession asset - Cambodia

The right was acquired by the Group through a contractual agreement to construct, maintain and service a transmission system in Cambodia for a period of 25 years starting from the commencement of the operation of the transmission system.

The construction works for the development of the transmission system was completed on 30 November 2017 and the operations commence on 1 January 2018. Therefore, the right is amortised over a period of 25 years starting from 1 January 2018.

The right to the concession asset was sold on 22 March 2023.

ii. 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.

6. INTANGIBLE ASSETS (CONT'D)

iii. 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.

An impairment loss of RM15.5 million has been recognised in prior period, representing its recoverable amount as a result of increase in the market interest rate. This recoverable amount was based on value-in-use of the asset where the cash flow for the remaining concession period was discounted at a rate of 11.72% on a pre-tax basis.

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.

In prior period, the recoverable amount for prior period was based on its value-in-use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5-year business plans.
- Revenue was projected at anticipated annual revenue growth of approximately 8% per annum.
- The expenses were projected at annual increase of approximately 5% per annum.
- A pre-tax discount rate of 7% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.

The Group has assessed that the value-in-use of these CGU, will not materially change should there be any revision to the key assumptions except for the changes in prevailing operating environment which is not ascertainable.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Unquoted shares, at cost	213,895	215,818
Less: Impairment loss during the financial period/end of financial period	(124,868)	-
	89,027	215,818
Contributions to subsidiaries – Share Grant Plan	3,127	3,127
	92,154	218,945

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.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.1 Details of the subsidiaries are as follows:

Name of company	Principal place of business	Effective interest 31.3.2025 %	Effective interest 30.9.2023 %	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.
PESTECH Engineering Technology China Co. Limited ("PCN") [(c)]	People's Republic of China	-	100	Provision of project management, electrical substations and transmission line erection and installation, supervision of testing and commissioning and civil works.
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") [(b)]	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.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Principal place of business	Effective interest 31.3.2025 %	Effective interest 30.9.2023 %	Principal activities
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") (b)	Vietnam	100	100	Inactive.
Subsidiary of FNX:				
Forward Metal Works Sdn. Bhd. ("FMW")	Malaysia	-	100	Investment holding company.
Subsidiary of PCL:				
PESTECH (Myanmar) Limited ("PML") (c)	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") (c)	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") (c)	Myanmar	51.1	51.1	Provision of microgrid system and other power infrastructure to the rural areas in Myanmar.
Subsidiaries 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.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Principal place of business	Effective interest 31.3.2025 %	30.9.2023 %	Principal activities
Subsidiaries of PPW: (cont'd)				
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") [(a)]#	Cambodia	70	70	Construction of electrical substation and transmission line.
Subsidiary of ASF:				
Green Sustainable Ventures (Cambodia) Co. Ltd. ("GSV") [(a)]	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") [(c)]	Brunei	90	90	Inactive.
PESTECH Transmission Limited ("PTL") [(c)]	Ghana	100	100	Inactive.
PESTCH GTI Sdn. Bhd. ("GTI") [(d)]	Malaysia	-	100	Inactive.
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)[(c)]	Africa	100	100	Construction services.

(a) Subsidiary audited by a member firm of Grant Thornton International Ltd.

(b) The financial statements have been audited by Grant Thornton Malaysia PLT for consolidation purpose.

(c) Companies not required to be audited in their countries of incorporation. The financial statements have been audited by Grant Thornton Malaysia PLT for consolidation purpose.

(d) The subsidiary has become the associate of the Group during the financial period.

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

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.2 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
31.3.2025					
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)
30.9.2023					
Carrying amount of NCI	28,747	6,100	4,817	(4,064)	35,600
Loss allocated to NCI	(11,320)	(53,483)	(2,059)	(3,019)	(69,881)
Total comprehensive loss allocated to NCI	(9,286)	(48,808)	(1,478)	(3,091)	(62,663)

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 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/(liabilities)	74,388	11,350	(90,525)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.2 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 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
Summary of cash flows for the financial period from 1 October 2023 to 31 March 2025			
Net cash from/(used in) operating activities	6,574	(24,360)	66,042
Net cash from investing activities	-	-	392
Net cash used in financing activities	(6,413)	(79)	(35,359)
Net cash inflow/(outflow)	161	(24,439)	31,075
Financial position as at 30 September 2023			
Non-current assets	411,216	133	454,821
Current assets	220,607	122,288	869,103
Non-current liabilities	(189,275)	(84,825)	(623,432)
Current liabilities	(346,725)	(22,344)	(608,915)
Net assets	95,823	15,252	91,577
Summary of financial performance for the financial period from 1 July 2022 to 30 September 2023			
Loss for the financial period	(37,733)	(133,708)	(39,144)
Other comprehensive income	6,779	11,687	11,000
Total comprehensive loss	(30,954)	(122,021)	(28,144)
Included in total comprehensive income is:			
Revenue	7,127	12,087	97,068

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.2 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 July 2022 to 30 September 2023			
Net cash (used in)/from operating activities	(29,033)	460,215	63,315
Net cash from investing activities	-	-	235
Net cash from/(used in) financing activities	29,108	(442,872)	(68,890)
Net cash inflow/(outflow)	75	17,343	(5,340)
Other information			
Dividends paid to non-controlling interests	-	(76,079)	-

7.3 Disposal of subsidiaries

31.3.2025

(i) A wholly owned subsidiary of the Company, PESTECH GTI Sdn. Bhd. ("GTI") with one (1) ordinary share, had on 2 February 2024, issued an additional 9 new ordinary shares of which the Group subscribed for 2 ordinary shares only. Thus, the Group's effective equity interest is 30%, therefore, the Company has classified its equity interest of 30% in GTI as an associate as the Company has significant influence over the financial and operating policy decisions of GTI.

The disposal of GTI gave rise a gain of RM7 in the Company's financial statements.

(ii) On 1 April 2024, Fornix Sdn. Bhd. ("FNX"), a wholly-owned subsidiary of the Company, entered into a Share Sale and Purchase agreement ("SPA") with an external party for the disposal of its 100% equity interest in Forward Metal Works Sdn. Bhd. ("FMW") for a total cash consideration of RM5,390,000.

The disposal of FMW recorded a gain of RM1,375,000.

(iii) The Group had on 5 May 2024 entered into an Equity Interest Transfer Agreement with a company set up by the management of a wholly owned subsidiary, PESTECH Engineering Technology (China) Co. Ltd. ("PCN"), for the disposal of 100% equity interest in PCN for a total cash consideration of USD520,000 (equivalent to RM2.45 million). The cash consideration of the sale is to be settled in four tranches of USD130,000 (RM0.61 million) each within two years upon the completion of change of registration procedure.

The disposal of PCN resulted in a gain of RM16,213,000.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.3 Disposal of subsidiaries (cont'd)

The effect of the disposal of the subsidiaries on the financial position of the Group as at the date of disposal was as follows:

	RM'000
Property, plant and equipment	3,648
Goodwill	715
Trade and other receivables	13,615
Cash and bank	7,136
Trade and other payables	(34,674)
Tax recoverable	8
Deferred tax liabilities	(198)
Net liabilities disposed off	(9,750)
Net gain on disposal of subsidiaries	(17,588)
Proceeds received	7,838
Less: Cash and cash balances disposed	(7,136)
Net cash inflows from disposal	702

8. INVESTMENT IN ASSOCIATES

	Group	
	31.3.2025 RM'000	30.9.2023 RM'000
Unquoted shares, at cost	137	137
Share of post-acquisition reserve	(137)	761
	-	898

The particulars of the associates are as follows:

Name of company	Principal place of business	Effective interest 31.3.2025 %	Effective interest 30.9.2023 %	Principal activities
PESTECH Corporation	Philippines	-	38	Provision of consultancy, testing, commissioning and construction.
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	-	Inactive.

8. INVESTMENT IN ASSOCIATES (CONT'D)

The particulars of the associates are as follows (cont'd):

Name of company	Principal place of business	Effective interest 31.3.2025 %	Effective interest 30.9.2023 %	Principal activities
IJMC-PESTECH JV	Malaysia	40	-	Provision of executing and completing on project of Automated People Mover at KL International Airport.

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.

8.1 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.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	31.3.2025		30.9.2023	
	Contract/ notional amount RM'000	(Liabilities) /Asset RM'000	Contract/ notional amount RM'000	(Liabilities) /Asset RM'000
Group				
FVTPL:				
Forward currency contracts				
- Non-current	19,373	(161)	161,027	(3,191)
- Current	-	-	26,022	(1,722)
		(161)		(4,913)
Hedging derivative:				
Interest rate swap contracts				
- Non-current	212,027	(1,512)	188,501	2,530
		(1,673)		(2,383)

9. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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.

The Group recognised a gain of RM4,289,000 (30.9.2023: loss of RM107,000) 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 34.3 to the Financial Statements.

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 period 2025 and 2023, 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 22% (30.9.2023: 17%) of the variable long term borrowings principal outstanding. The fixed interest rates of the swaps range between 6.78% and 8.21% (30.9.2023: 5.45% and 7.31%) per annum.

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

	31.3.2025 RM'000	**30.9.2023 RM'000**
Carrying amount (Liabilities) /Assets	(1,512)	2,530
Notional amount	212,027	188,501
Maturity date	2027 - 2029	2027 - 2030
Hedge ratio	1:1	1:1
Weighted average hedged rate for the period	7.67%	5.41%

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.

9. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

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 was no recognised ineffectiveness during the period 2025 or 2023 in relation to the interest rate swaps.

The Group recognised a loss of RM4,012,180 (30.9.2023: gain of RM1,703,408) arising from fair value changes of derivative financial instruments in other comprehensive income.

10. CONTRACT ASSETS/CONTRACT LIABILITIES

	Group	
	31.3.2025 RM'000	**30.9.2023 RM'000**
Contract assets		
Contract assets from a customer on concession arrangement [(a)]	-	-
Contract assets from customers on construction contracts [(b)]	1,178,861	1,762,440
Contract assets from customers on construction contracts	1,178,861	1,762,440
Presented by:		
Non-current	542,983	804,792
Current	635,878	957,648
	1,178,861	1,762,440
Contract liabilities - current		
Contract liabilities from customers on construction contracts	10,359	10,959

(a) Concession arrangement

	Group	
	31.3.2025 RM'000	**30.9.2023 RM'000**
At the beginning of financial period	-	555,979
Revenue recognised during the financial period	-	12,087
Interest income arising from contract with customers	-	23,998
Progress billings issued during the financial period	-	(41,360)
Derecognised upon disposal of concession right	-	(565,510)
Translation differences	-	14,806
At the end of financial period	-	-

Concession assets from customer on concession arrangement represent revenue recognised from concession agreement entered by PPW, which was subsequently novated to DPL on 6 April 2015, for the development of Kampong Cham - Kratie 230 kV Transmission System (KTS) in the Kingdom of Cambodia. The project is undertaken on a build - operate - transfer ("BOT") basis.

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

(a) Concession arrangement (cont'd)

The terms of the arrangement allow DPL to operate the transmission system for up to a period of 25 years ("Concession Period") after the completion of construction. DPL will receive a certain sum from Electricite du Cambodge ("EDC") over the operation period of 25 years in exchange for the service performed. DPL has completed the construction in November 2017 and the operation of the transmission system had commenced on 1 January 2018. Upon expiry of the concession arrangement, the transmission system is to be transferred back to EDC.

On 20 October 2022, the Group entered into a business transfer agreement to dispose the concession right for a total consideration of USD118 million (approximately RM534 million). The disposal was completed on 22 March 2023.

(b) 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	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Contract assets	1,409,216	1,762,440
Less: Impairment loss during the financial period/ at end of financial period	(230,355)	-
	1,178,861	1,762,440
Contract liabilities	(10,359)	(10,959)
	1,168,502	1,751,481
At the beginning of financial period	1,751,481	1,589,408
Revenue recognised during the financial period	467,649	536,129
Progress billings issued during the financial period	(744,268)	(490,941)
Finance income recognised	33,967	17,335
Impairment during the financial period	(230,355)	-
Derecognition of contract liabilities from a disposed subsidiary	(16,172)	-
Fair value loss from contract modification	(14,143)	-
Translation differences	(79,657)	99,550
At the end of financial period	1,168,502	1,751,481
Presented by:		
Non-current	542,983	804,792
Current	625,519	946,689
	1,168,502	1,751,481

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

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

(b) Construction contracts (cont'd)

In January 2024, the contract with the customer of one of the subsidiary, OPL was modified due to a change in billing schedule, This change led to a assessment of the significant financing component associated with the contract. The impact of the contract modification is presented in the profit or loss as a fair value loss from contract modification. The corresponding adjustment to the contract asset is reflect in the statement of financial position.

As at 31 March 2025, included within current contract assets is an amount of RM332,272,000 (30.9.2023: RM509,727,000), arising from construction services provided 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.

11. INVENTORIES

	Group	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Work-in-progress	43,454	15,851
Less: Written down during the financial period/ at end of financial period	(500)	-
	42,954	15,851
General stocks	13,889	13,201
	56,843	29,052

The inventories recognised as cost of sales in profit or loss for the financial period is RM317,097,478 (30.9.2023: RM455,940,636).

12. TRADE RECEIVABLES

	Group	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Trade receivables	124,405	66,458
Less: Impairment loss	(15,560)	(12,300)
	108,845	54,158
Retention sums on contracts	97,096	129,650
Less: Impairment loss	(21,115)	(1,115)
	75,981	128,535
	184,826	182,693

Trade receivables are non-interest bearing. The credit terms granted by the Group ranges from 30 to 60 days (30.9.2023: 30 to 60 days).

12. TRADE RECEIVABLES (CONT'D)

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

	Group	
	31.3.2025 RM'000	30.9.2023 RM'000
At 1 October/1 July	12,300	-
Recognised during the period	4,676	12,300
Reclassification to amount due from ultimate holding company	(1,198)	-
Reversal during the period	(218)	-
At 31 March/30 September	15,560	12,300

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

	Group	
	31.3.2025 RM'000	30.9.2023 RM'000
At 1 October/1 July	1,115	-
Recognised during the period	20,000	1,115
At 31 March/30 September	21,115	1,115

13. OTHER RECEIVABLES

	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
Other receivables	5,858	68,313	54	36
Less: Impairment loss	-	(20)	-	-
	5,858	68,293	54	36
Advance payments to suppliers	10	23,428	-	-
Deposits	3,340	2,711	1	6
Prepayments	14,880	20,909	1	239
GST/VAT receivable	24,332	27,619	-	-
	48,420	142,960	56	281

13. OTHER RECEIVABLES (CONT'D)

The movements of the impairment losses of other receivables during the period are as follows:

	Group	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
At 1 October/1 July	20	-
Recognised during the period	-	20
Write off during the period	(20)	-
At 31 March/30 September	-	20

14. AMOUNT DUE FROM/TO ASSOCIATE/SUBSIDIARIES/ULTIMATE HOLDING COMPANIES

	Group		Company	
	31.3.2025	**30.9.2023**	**31.3.2025**	**30.9.2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(a) Ultimate holding company (Trade):				
Amount due from	27,981	-	-	-
(Non-trade):				
Amount due to	-	-	(269)	-

Dhaya Maju Infrastructure (Asia) Sdn. Berhad became the ultimate holding company effective from 18 December 2024.

The comparative trade balance of amount due from ultimate holding company, Dhaya Maju Infrastructure (Asia) Sdn. Berhad, amounting to RM16,790,802 was grouped under trade receivables in prior period.

	Company	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
(b) Subsidiaries (Non trade):		
Amount due from	407,017	366,573
Less:		
Impairment loss recognised during the financial period/ at end of the financial period	(143,898)	-
	263,119	366,573
Amount due to	(130,705)	(139,157)
	132,414	227,416
Presented by:		
Non-current	225,584	206,054
Current	(93,170)	21,362
	132,414	227,416

14. AMOUNT DUE FROM/TO ASSOCIATE/SUBSIDIARIES/ULTIMATE HOLDING COMPANIES (CONT'D)

The amount due from/(to) subsidiaries are unsecured, receivable/repayable on demand and subject to interest rates ranging from 6.94% to 8.47% (30.9.2023: 4.44% to 6.18%) per annum.

	Group		Company	
	31.3.2025 RM'000	**30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
(c) Associates (Trade):				
Amount due from	8,359	3,513	-	-
Less:				
Impairment loss recognised during the financial period/ at end of the financial period	(1,485)	-	-	-
	6,874	3,513	-	-

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

The recoverable amount of 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% based on the weighted average cost of capital of the Company.

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	31.3.2025 RM'000	**30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
Fixed and short term deposits with licensed institutions	45,284	57,728	31,045	30,498
Cash and bank balances	130,988	99,638	72,715	121
	176,272	157,366	103,760	30,619

The effective interest rates of fixed deposits with licensed financial institutions ranges from 1.04% to 4.75% (30.9.2023: 1.92% to 4.75%) per annum. The maturity period of the fixed deposits ranges from 1 to 365 days (30.9.2023: 1 to 365 days).

The Group has maintained debt service reserve balances amounting to RM34,517,000 (30.9.2023: RM46,349,000) under cash and bank balances, as security for banking facilities granted to respective subsidiaries. The Group's fixed deposits amounting to RM8,952,000 (30.9.2023: RM57,728,000) 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.

16. SHARE CAPITAL

Group and Company

	Number of shares		Amount	
	31.3.2025	**30.9.2023**	**31.3.2025**	**30.9.2023**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
Issued and fully paid with no par value:				
At the beginning of financial period	992,221	992,221	232,942	232,942
Restricted issue	1,333,335	-	160,000	-
At the end of financial period	2,325,556	992,221	392,942	232,942

The Company had on 18 December 2024 issued 1,333,335,000 new ordinary shares through a restricted issue at an issue price of RM0.12 as detailed in Note 37(d) to the financial statements.

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.

17. TREASURY SHARES

Group and Company

	Number of shares		Amount	
	31.3.2025	**30.9.2023**	**31.3.2025**	**30.9.2023**
	Unit'000	**Unit'000**	**RM'000**	**RM'000**
At the beginning/end of financial period	7,666	7,666	4,183	4,183

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 27 June 2013, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy-Back). The authority granted by the shareholders was subsequently renewed in the last Annual General Meeting held on 25 November 2022. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

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

18. RESERVES

	Group	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Non-distributable reserve:		
Merger deficit	(33,137)	(33,137)
Exchange translation reserve	35,517	42,335
Capital reserve	8,534	8,534
Fair value reserve	(2,620)	1,239
	8,294	18,971

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.

19. PERPETUAL SUKUK

	Group and Company	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Nominal value	82,000	100,000

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.

19. PERPETUAL SUKUK (CONT'D)

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 2025, a periodic distribution for Perpetual SUKUK was paid amounting to RM18,166,000 (30.9.2023: RM5,915,000);
(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.

20. LEASE LIABILITIES

	Group		**Company**	
	31.3.2025 RM'000	**30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
At the beginning of financial period	11,756	12,835	27	172
Additions	655	1,807	-	-
Accretion of interest	1,071	1,240	-	3
Lease termination	(1,638)	(951)	-	-
Payments:				
- Principal	(994)	(2,603)	(27)	(145)
- Interests	(1,071)	(1,240)	-	(3)
Translation reserve	(629)	668	-	-
At the end of financial period	9,150	11,756	-	27
Presented as:				
Current	417	1,342	-	27
Non-current				
- between 2 to 5 years	1,813	2,406	-	-
- more than 5 years	6,920	8,008	-	-
	8,733	10,414	-	-
	9,150	11,756	-	27

20. **LEASE LIABILITIES (CONT'D)**

The Group's and the Company's leases bear interest rates ranging from 2.35% to 8.79% and nil (30.9.2023: 2.26% to 7.20% and 2.26% to 2.35%) per annum respectively.

21. **LOANS AND BORROWINGS (SECURED)**

	Group		Company	
	31.3.2025 RM'000	**30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
Non-current				
- Term loans	285,375	650,012	-	-
- Third party loan	34,747	-	-	-
	320,122	650,012	-	-
Current				
- Bank overdrafts	10,878	47,101	621	1,001
- Bankers' acceptances	26,223	11,039	-	-
- Term loans	347,919	127,416	35,000	35,000
- Trust receipts	94,926	100,798	-	-
- Revolving credits	159,239	180,042	65,954	87,702
- Third party loan	709	-	-	-
	639,894	466,396	101,575	123,703
	960,016	1,116,408	101,575	123,703

The particulars of term loans are as follows:

	Group	
	31.3.2025 RM'000	**30.9.2023 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.	14,155	18,998
(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.	4,376	4,826
(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.	207,932	220,130

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

The particulars of term loans are as follows (cont'd):

		Group	
		31.3.2025	**30.9.2023**
		RM'000	**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.	89,748	144,279
(e)	A 5-year term loan of USD9.5 million (equivalent to RM42.1 million) and KHR10.31 billion (equivalent to RM11 million) which are repayable in 48 monthly installments commencing 12 months after first drawdown in November 2019. The installments amount to USD197,917 (equivalent to RM877,168) and KHR214 million (equivalent to RM235,400) respectively. The term loan was fully settled during the financial period.	-	7,031
(f)	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.	58,615	68,558
(g)	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 are amounting to USD300,000 (equivalent to RM1.33 million) for moratorium date and USD600,000 (equivalent to RM2.66 million). #	220,011	211,319
(h)	A 12-year term loan of RM6.4 million which is repayable in 144 monthly principal installments of RM44,445 and final monthly principal installment of RM44,365 to be commenced on 1 July 2025. The term loan was fully settled during the financial period.	-	4,621
(i)	A term loan limit of RM345 million with utilisation of RM58 million which is repayable by 66 months commencing 43 months from the first disbursement date i.e. November 2022 or 5 months after the date of completion of the project. The term loan was fully settled during the financial period.	-	58,076
(j)	A term loan of USD1 million (equivalent to RM4.4 million) which is repayable by 48 months. The installments are amounting of USD24,530 (equivalent to RM108,717) commenced on 30 May 2022.	3,457	4,590
(k)	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 as stated in Note 37(e) to the Financial Statements, whichever is earlier.	35,000	35,000
		633,294	777,428

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

Breach of loan covenant and subsequent repayment

\# During the financial period, 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 RM220,011,000. 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.

As at report date, RM232,345,000 of borrowing is under pre-packaged scheme of arrangement as detailed in Note 37(e) to the financial statements. In additions, certain subsidiaries breached financial covenant in relation to debt-to-equity and debt service coverage ratio under banking facilities with outstanding balance of RM7,406,000. All these borrowings are classified as current liabilities.

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) Corporate guarantee from the Company;
(ii) Legal assignment/power of attorney over the rights and interest to the proceeds under the contract; and
(iii) Notice of assignment or irrevocable payment instruction to notify EDC on the assignment.

Term loan (f) 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;

21. **LOANS AND BORROWINGS (SECURED) (CONT'D)**

Breach of loan covenant and subsequent repayment (cont'd)

Term loan (f) is secured by: (cont'd)

(vii) Assignment of rights and interest under the solar farm project arrangements; and
(viii) Assignment of designated accounts.

Term loan (g) 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 (h) is secured by:
(i) Assignment over the rights, title and interest of the land; and
(ii) Corporate guarantee from the Company.

Term loan (i) is secured by:
(i) Debenture over fixed and floating assets, present and future;
(ii) Assignment by way of security over designated accounts;
(iii) Assignment by way of security over the intercompany financing agreement in relation to the channelling of the disbursement proceeds of the Term Financing to part finance the project of a related company;
(iv) Corporate guarantee from a related company; and
(v) Corporate guarantee from the holding company.

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

Term loan (k) 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) Joint 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 for 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;

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

Breach of loan covenant and subsequent repayment (cont'd)

Other than term loans, other borrowings of the Group are secured by: (cont'd)

(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.

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	
	31.3.2025	30.9.2023	31.3.2025	30.9.2023
	%	%	%	%
Third party loan	6.50	-	-	-
Term loans	4.55 - 9.54	4.85 - 7.92	6.75	-
Bank overdrafts	4.25 - 10.17	6.75 - 8.62	7.85	6.85
Bankers' acceptances	5.5 - 7.63	6.15 - 7.12	-	-
Trust receipts	5.46 - 7.11	5.41 - 8.13	-	-
Revolving credit	5.18 - 8.62	4.06 - 8.53	6.60 – 8.00	4.06 - 5.80

22. DEFERRED TAX LIABILITIES

The deferred tax liabilities as at the end of the reporting period 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 July 2022	5,329	(636)	4,693
Recognised in profit or loss (Note 30)	879	(64)	815
Translation reserve	1,048	-	1,048
At 30 September 2023	7,256	(700)	6,556
Disposal of subsidiary	(198)	-	(198)
Recognised in profit or loss (Note 30)	(637)	-	(637)
Translation reserve	(308)	-	(308)
At 31 March 2025	6,113	(700)	5,413

23. TRADE PAYABLES

	Group	
	31.3.2025	30.9.2023
	RM'000	RM'000
Non-current		
Trade payables	61,416	5,816
Current		
Trade payables (included accrued contract costs)	345,740	660,082
Retention sums on contracts	27,288	25,010
	373,028	685,092
	434,444	690,908

Included in trade payables of the Group is an amount due to related parties by virtue of common Directors amounting to RM156,727 (30.9.2023: RM120,181) which is unsecured, non-interest bearing. The credit term granted by the related parties is up to 90 days (30.9.2023: 90 days).

Trade payables are non-interest bearing. The credit terms granted by the trade payables to the Group ranges from 14 days to 2 years (30.9.2023: 14 days to 2 years).

24. OTHER PAYABLES

	Group		Company	
	31.3.2025	30.9.2023	31.3.2025	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other payables	48,929	-	-	-
Current				
Amount due to Directors	16,250	14,600	16,250	14,600
Other payables and accruals	79,571	59,325	4,279	2,323
Deposits received	47	63,631	-	-
Sales and Services Tax payable	8,817	4,177	-	-
Provision of performance bond	35,035	39,900	-	-
	139,720	181,633	20,529	16,923
	188,649	181,633	20,529	16,923

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 32 to the Financial Statements.

24. OTHER PAYABLES (CONT'D)

	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
At the beginning of the financial period	39,900	-	-	-
Recognised during the financial period	-	39,900	-	-
Repayment during the financial period	(4,865)	-	-	-
At end of the financial period	35,035	39,900	-	-

Included in other payables and accruals of the Group are:

(i) an amount of RM2,920,427 (30.9.2023: RM3,193,101) arising from the land compensation for a project carried out by a subsidiary in prior period.

(ii) in prior year, an outstanding amount of RM1,779,483 in relation to the purchase of a freehold land.

(iii) an amount of RM4,847,327 (30.9.2023: RM5,131,692) owing to a customer which bears interest at 3% (30.9.2023: 3%) per month.

(iv) in prior period, an amount of RM22,146,240 payable in relation to capital gain tax of disposal of concession asset in Cambodia.

(v) an amount of RM52,918,020 (30.9.2023: RM3,132,675) owing to a third party which bears interest at 8.5% (30.9.2023: 6.5%) per annum with a repayment term of 3 years.

(vi) amount due to Directors which are unsecured, repayable on demand and bears interest ranging from 5.59% to 12.00% (30.9.2023: 8.40% to 12.00%) per annum.

25. REVENUE

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
<u>Revenue from contract with customers:</u>				
Sales of products	91,343	15,289	-	-
Rendering of services under construction contracts	467,649	536,129	-	-
Operation and maintenance services	33,002	29,492	-	-
Concession revenue	-	12,087	-	-
Management fee income	-	-	23,345	16,041
	591,994	592,997	23,345	16,041
<u>Revenue from other source:</u>				
Dividend income	-	-	-	9,000
	591,994	592,997	23,345	25,041

25. REVENUE (CONT'D)

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Timing of recognition				
- Satisfied over time	500,651	577,708	23,345	16,041
- Satisfied at a point in time	91,343	15,289	-	-
	591,994	592,997	23,345	16,041

26. OPERATING EXPENSES

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Direct costs				
- Raw materials and consumables	317,097	455,941	-	-
- Production overheads	149,315	63,504	-	-
- Performance bond	-	39,900	-	-
- Compensation cost	-	20,000	-	-
	466,412	579,345	-	-
Employee benefit expenses				
- Directors' remuneration	6,888	7,789	4,139	3,992
- Salaries, wages, bonuses and other emoluments	60,657	63,963	8,274	7,989
- Defined contribution plan	7,193	6,729	967	934
- Social security contributions	566	949	71	71
- Other benefits	5,490	4,144	335	229
	80,794	83,574	13,786	13,215
Directors' fee	588	240	391	240
Depreciation and amortisation				
- Property, plant and equipment	19,787	21,298	226	585
- Intangible assets	-	4,408	-	-
	19,787	25,706	226	585
Short-term leases				
- Rental of premises	3,731	3,823	923	930
- Rental of motor vehicles	-	62	-	-
	3,731	3,885	923	930

26. OPERATING EXPENSES (CONT'D)

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
(Cont'd)				
Others				
Auditors' remuneration:				
- Grant Thornton Malaysia PLT				
- Audit services	420	381	135	68
- Other services	46	157	15	125
- Other auditors				
- Member firm of Grant Thornton International Ltd.	437	330	-	-
- Others	18	16	-	-
Other expenses	26,988	82,775	10,276	4,647
	599,221	776,409	25,752	19,810

27. OTHER OPERATING INCOME

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Sundry income	15,875	1,090	16	3
Gain on lease termination	151	70	-	-
	16,026	1,160	16	3

28. OTHER (LOSSES)/GAINS

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Bad debts written off	(2,239)	-	-	-
Fair value gain/(loss) on derivative financial instruments	4,289	(107)	-	-
Gain on disposal of	-			
subsidiary	17,588	-	524	-
Gain on disposal of property, plant and equipment	1,617	369	-	-
Written down of inventories	(500)	-	-	-
Impairment of:				
- intangible asset	-	(18,099)	-	-
- investment in subsidiary companies	-	-	(124,868)	-
- property, plant and equipment	-	(30,005)	-	-
Fair value loss from contract modification	(14,143)	-	-	-
Property, plant and equipment written off	(534)	(7)	-	-
Realised gain/(loss) on foreign exchange	378	4,992	(11)	(45)
Unrealised (loss)/gain on foreign exchange	(17,270)	19,980	906	(7,795)
	(10,814)	(22,877)	(123,449)	(7,840)

29. FINANCE INCOME/COSTS

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
<u>Finance income</u>				
Interest income	1,790	2,300	768	1,212
Interest income charged to subsidiaries	-	-	34,893	23,247
Interest income arising from contracts with customers	33,967	41,333	-	-
Unwinding discount of financial liabilities	10,971	4,515	-	-
	46,728	48,148	35,661	24,459

29. FINANCE INCOME/COSTS (CONT'D)

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Finance costs				
Bank overdrafts	4,193	4,934	82	58
Lease liabilities	1,071	1,240	-	3
Interest expense charged by subsidiary companies	-	-	7,722	10,392
Short-term borrowings	24,972	29,696	7,707	6,861
Term loans	85,123	69,159	4,568	110
Amortisation of unwinding discount of financial liabilities	3,226	3,300	-	-
Late payment interest	2,566	-	-	-
	121,151	108,329	20,079	17,424

30. TAX EXPENSE/(INCOME)

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Current period:				
- current tax	6,604	6,284	3,282	2,661
- deferred tax (Note 22)	177	815	-	-
	6,781	7,099	3,282	2,661
Prior period:				
- current tax	(77)	1,232	(104)	168
- deferred tax (Note 22)	(814)	-	-	-
	5,890	8,331	3,178	2,829

Malaysian income tax is calculated at the statutory rate of 24% (30.9.2023: 24%) of the estimated taxable profits for the financial period.

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

30. **TAX EXPENSE/(INCOME) (CONT'D)**

A reconciliation of income tax expense applicable to (loss)/profit 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**	
	1.10.2023 to 31.3.2025 RM'000	**1.7.2022 to 30.9.2023 RM'000**	**1.10.2023 to 31.3.2025 RM'000**	**1.7.2022 to 30.9.2023 RM'000**
(Loss)/Profit before tax	(333,634)	(389,923)	(254,156)	4,429
At Malaysian statutory tax rate of 24% (30.9.2023: 24%)	(80,072)	(93,582)	(60,997)	1,063
Effects of different tax rates in overseas subsidiaries	4,283	1,473	-	-
Tax effects in respect of:				
- expenses not deductible for tax purposes	75,897	70,210	70,200	7,023
- income not subject to tax	(7,242)	(8,582)	(4,215)	(5,425)
- movement of deferred tax assets not recognised during the financial period	13,915	37,580	(1,706)	-
- (Over)/under provision in prior period	(891)	1,232	(104)	168
	5,890	8,331	3,178	2,829

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

	Group		**Company**	
	31.3.2025 RM'000	**30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
Property, plant and equipment	1,831	1,875	147	126
Unabsorbed tax losses	(237,335)	(201,415)	(3,368)	(10,328)
Unutilised capital allowances	(13,596)	(9,369)	-	-
Others	(41,849)	(24,063)	-	(128)
	(290,949)	(232,972)	(3,221)	(10,330)

The unabsorbed tax losses and unutilised capital allowances are available to offset against future taxable profits of the Group and 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.

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

The expiry of the unabsorbed tax losses is as follows:

	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
Carry forward up to:				
Year of assessment 2028	312	5,303	-	4,991
Year of assessment 2029	2,536	3,744	-	1,208
Year of assessment 2030	38,323	41,048	3,368	4,129
Year of assessment 2031	2,666	2,686	-	-
Year of assessment 2032	23,169	23,168	-	-
Year of assessment 2033	134,897	125,466	-	-
Year of assessment 2035	35,432	-	-	-
	237,335	201,415	3,368	10,328

31. (LOSS)/EARNINGS PER SHARE

Basic/diluted (loss)/earnings per share

Basic/diluted loss per share is calculated by dividing consolidated loss for the financial 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 period.

	Group	
	1.10.2023 to 31.3.2025	1.7.2022 to 30.9.2023
Loss attributable to owners of the Company (RM'000)	(341,506)	(334,288)
Weighted average number of ordinary shares in issue (Number of shares '000)	1,234,706	984,555
Basic/diluted loss per share (RM)	(0.28)	(0.34)

Diluted earnings per share

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

32. CONTINGENCIES

(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 damages 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 set-offs 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.

As of now, the parties are awaiting confirmation of new trial dates and a case management schedule.

The financial outcome is unable to be determined at this stage.

32. CONTINGENCIES (CONT'D)

(c) In the court proceedings 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(IM)(C)-1192-07/2023]

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(IM)(C)-1248-07/2024.

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.

The financial outcome is unable to be determined at this stage.

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

On 7 December 2024, PTE and PESTEC filed Suit 84 to challenge the arbitration's jurisdiction, along with an injunction to restrain the proceedings. SPYTL responded with an Arbitration Stay Application on 19 December 2024.

Following hearings and written submissions, the High Court on 11 April 2025 dismissed PTE and PESTEC's application and allowed SPYTL's stay application. PTE and PESTEC have appealed; hearings are pending. For completeness, it is Appeal No: W-02(IM)(C)-807-05/2025 and Appeal No: W-02(IM)(C)-808-05/2025.

The Erinford Injunction was also dismissed on 18 June 2025. An Appeal had been filed resulting in Appeal No: W-02(IM)(C)-1348-07/2025. This Appeal is now fixed for Case Management on 15 October 2025.

The Court instructed parties to expedite related appeals:

- Appeal 807 (Anti-Arbitration Injunction)
- Appeal 808 (Arbitration Stay)
- Appeal 1248 (PSB-related)

All appeals are now fixed for final case management on 4 August 2025, and hearing on 18 August 2025.

The financial outcome is unable to be determined at this stage.

32. **CONTINGENCIES (CONT'D)**

(e) 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 RM1,037,369.76 for alleged outstanding payments under a manpower supply contract. PTE filed a Counterclaim against Jalur Tegas seeking for up to RM18,000,000.00 or damages to be assessed based on a cause of action of breach of contract and as against both Jalur Tegas and Mohd Rizal bin Abdul Ghani, a cause of action of unlawful conspiracy.

Jalur Tegas had 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 against him being struck out.

PTE has since filed an appeal against the decision made in relation to the Counterclaim against Mohd Rizal Abdul Ghani on 8 July 2025 and subsequently filed a Stay Application on 23 July 2025, to stay the proceedings in the High Court pending the decision of the Court of Appeal ("the Stay Application").

On 24 July 2025, the High Court vacated the trial dates previously fixed on 6 and 7 August 2025. The Stay Application is fixed for a case management on 5 August 2025 to be followed by a hearing on 7 August 2025, alongside a Court-led mediation session.

(f) In the matter of court proceedings between Siemens Malaysia Sdn. Bhd. ("Siemens") (Plaintiff) and Pestech Energy Sdn. Bhd. ("PEN") and the Company (Defendants)

On 16 August 2024, Siemens instituted a suit against PEN for RM14,370,844.31 (principal sum) and RM1,744,258.66 (late payment interest charges), and against the Company for RM9,060,000.00 under the 1st Corporate Guarantee dated 20 October 2022 and RM46,623.61 (inclusive of late payment interest charges) under the 2nd Corporate Guarantee dated 20 January 2022.

Siemens filed an application for Summary Judgment Application ("the Application") on 4 December 2024. On 29 April 2025, the Court allowed the Application against PEN and the Company for the principal amount of RM14,370,844.31 with late payment interest of RM1,744,258.66 as at 31.5.2024, with interest of 1% per month accruing until full and final realisation of the debt due ("Judgment Sum"), and cost of RM6,000.00 payable by PEN to Siemens.

In the event that PEN fails to pay Siemens the Judgment Sum, the Company would be liable to pay the following amounts pursuant to the following terms of the respective Corporate Guarantees:

(i) Paragraph 3 of the Corporate Guarantee dated 20 October 2022 will be applicable for the guaranteed sum of RM9,060,000.00 provided for therein; and

(ii) Paragraph 3 of the Corporate Guarantee dated 20 January 2022 will be applicable for the sum of RM 39,232.80 together with interest as of 31 May 2024 in the sum of RM7,390.81 and the interest which has accrued since and continues to accrue thereon at the rate of 1% per month from 1 June 2024 until full payment.

PEN and the Company filed an appeal ("Appeal") in respect of the Judgment on 2 May 2025 and a stay of execution application ("Stay Application") on 5 May 2025. However, parties have subsequently reached an amicable settlement in this matter and as a result of the same, both the Appeal and the Stay Application were withdrawn on 3 July 2025. PEN has commenced fulfilment of its obligations under the settlement terms.

32. CONTINGENCIES (CONT'D)

(g) 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 seeks setoffs for rectification works totalling 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 parties 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.

(h) Shah Alam High Court Summon No. BA-22NCC-128-07/2025, Lim Ah Hock (1st Plaintiff") and Lim Pay Chuan (2nd Plaintiff) vs the Company (Defendant)

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

The total amount of claim by the 1st Plaintiff against the Company is RM11,287,334.27 (inclusive of outstanding principal sum of RM10,250,000.00) due as at 31 March 2025 with further interests on the outstanding principal sums from 1 April 2025 to the date of full settlement.

The total amount of claim by the 2nd Plaintiff is RM6,231,403.43 (inclusive of outstanding principal sum of RM6,000,000.00) due as at 31 March 2025 with further interest at the rate of 8.4% per annum on the outstanding principal sum from 1 April 2025 to the date of full settlement.

The Court has fixed the matter for e-review case management on 4 August 2025. The Company is currently assessing the legal position of the Company in the above claim and is represented by external Counsels.

33. RELATED PARTY DISCLOSURES

33.1 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	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Advances from Directors	1,650	14,600	1,650	14,600
Interest expenses charged by Directors	2,343	249	2,343	249
Subsidiaries:				
Management fee income	-	-	23,345	16,041
Dividend income	-	-	-	9,000
Rental expense	-	-	755	629
Interest expense	-	-	7,722	10,392
Interest income	-	-	34,893	23,247
Payment on behalf from	-	-	(45,647)	(24,067)
Related parties by virtue of common shareholders and/or key management personnel:				
Purchase of materials and services received	715	3,292	-	-
Rental expense	-	363	-	363

33. RELATED PARTY DISCLOSURES (CONT'D)

33.2 Compensation of key management personnel

Included in the employee benefit expense of the Group and of the Company are Directors' remuneration as follows:

	Group		Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Executive Directors of the Company:				
Salaries and other emoluments	4,440	5,344	3,636	3,365
Defined contribution plan	431	409	413	409
Social security contributions	11	3	3	3
	4,882	5,756	4,052	3,777
Non-Executive Directors of the Company:				
Directors' other emoluments	87	215	87	215
Directors of subsidiaries:				
Salaries and other emoluments	1,919	1,818	-	-
	6,888	7,789	4,139	3,992
Non-Executive Directors of the Company:				
Directors' fee	588	240	391	240

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 RM51,977 (30.9.2023: RM77,968).

Other key management personnel compensation is as follows:

	Group and Company	
	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Other key management personnel:		
- Salaries, bonuses and other emoluments	4,988	1,079
- Defined contribution plan	385	108
- Social security contributions	8	3
	5,381	1,190

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.

33.3 Related party balances

Outstanding balances arising from related party transactions with related parties are disclosed in Notes 14, 23 and 24 to the Financial Statements.

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

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

	31.3.2025			30.9.2023		
	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						
Derivative financial assets	-	-	-	-	-	2,530
Trade and other receivables	194,024	-	-	253,697	-	-
Amount due from ultimate holding company	27,981	-	-	-	-	-
Amount due from associate	6,874	-	-	3,513	-	-
Cash and short-term deposits	176,272	-	-	157,366	-	-
	405,151	-	-	414,576	-	2,530
Financial liabilities						
Derivative financial liabilities	-	1,673	-	-	4,913	-
Trade and other payables	579,241	-	-	828,464	-	-
Loans and borrowings	960,016	-	-	1,116,408	-	-
	1,539,257	1,673	-	1,944,872	4,913	-

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 Categories of financial instruments (cont'd)

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

	Amortised cost	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Company		
Financial assets		
Other receivables	55	42
Amount due from subsidiary companies	263,119	366,573
Cash and short-term deposits	103,760	30,619
	366,934	397,234
Financial liabilities		
Other payables	20,529	16,923
Amount due to subsidiaries	130,705	139,157
Amount due to ultimate holding company	269	-
Loans and borrowings	101,575	123,703
	253,078	279,783

34.2 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 into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of 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 instrument 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.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
Trade receivables	184,826	182,693
Contract assets	1,178,861	1,762,440
	1,363,687	1,945,133

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.

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

34.2 **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 period 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			
	31.3.2025		30.9.2023	
	RM'000	% of trade receivables	RM'000	% of trade receivables
Top 4 (30.9.2023: 4) customers	80,731	44	108,757	60

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

	Group			
	31.3.2025		30.9.2023	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	57,174	30.94	142,600	78.05
Cambodia	89,090	48.20	17,767	9.73
Philippines	28,401	15.37	11,506	6.30
Papua New Guinea	8,047	4.35	10,053	5.50
Others	2,114	1.14	767	0.42
	184,826	100.00	182,693	100.00

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

34.2 **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
31.3.2025			
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 91-120 days	-	-	-
Past due for more than 120 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
30.9.2023			
Group			
Not past due	166,263	-	166,263
Past due for 1-30 days	6,291	-	6,291
Past due for 31-60 days	637	-	637
Past due for 61-90 days	3,954	-	3,954
Past due for 91-120 days	1,064	-	1,064
Past due for more than 120 days	4,484	-	4,484
	182,693	-	182,693
Credit impaired	13,415	(13,415)	-
Trade receivables	196,108	(13,415)	182,693
Contract assets	1,762,440	-	1,762,440

Intercompanies balances

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

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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):

Intercompanies balances (cont'd)

As at the end of the reporting period, there was no indication that the advances to the related companies are not recoverable, other than those disclosed in Note 14 to the financial statements.

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 RM867,588,017 (30.9.2023: RM992,705,020), 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 at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

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

34.2 **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					
31.3.2025					
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

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 →
Group (cont'd)					
30.9.2023					
Derivative financial liabilities					
Forward currency contracts – gross outflow	4,913	189,145	27,205	109,039	52,901
Forward currency contracts – gross inflow	-	(187,049)	(26,022)	(107,904)	(53,123)
	4,913	2,096	1,183	1,135	(222)
Non-derivative financial liabilities					
Lease liabilities	11,756	17,919	1,685	5,006	11,228
Loans and borrowings	1,116,408	1,374,207	570,209	475,948	328,050
Trade and other payables	828,464	830,929	822,648	8,281	-
	1,956,628	2,223,055	1,394,542	489,235	339,278
	1,961,541	2,225,151	1,395,725	490,370	339,056

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 Financial risk management (cont'd)

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

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

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

	Carrying amount RM'000	Contractual cash flows RM'000	Maturity: Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000
Company					
31.3.2025					
Non-derivative financial liabilities					
Loans and borrowings	101,575	101,575	101,575	-	-
Other payables	20,529	20,529	20,529	-	-
Amount due to 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
30.9.2023					
Non-derivative financial liabilities					
Lease liabilities	27	27	27	-	-
Loans and borrowings	123,703	123,703	123,703	-	-
Other payables	16,923	16,923	16,923	-	-
Amount due to subsidiaries	139,157	139,157	139,157	-	-
	279,810	279,810	279,810	-	-
Financial guarantee to subsidiaries	-	1,127,304	392,090	684,876	50,338

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

34.2 **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 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
31.3.2025						
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)
30.9.2023						
Denominated in:						
USD	34,482	8,288	(11,483)	(3,175)	(103,807)	(75,695)
EURO	-	2	(1,255)	-	-	(1,253)
CNY	-	2	(3,175)	-	-	(3,173)
PHP	1,348	13	(283)	-	-	1,078
Others	-	1	(58)	-	-	(57)

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

34.2 **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 period to a +/-5% (30.9.2023: +/-5%) change in the USD, EURO, CNY and PHP exchange rates at the reporting period against the respective functional currency of the companies within the Group, with all variables held constant.

	Group Increase/(decrease) Net loss for the financial period	
	31.3.2025	**30.9.2023**
	RM'000	**RM'000**
USD/RM		
-Strengthened	(1,181)	3,785
-Weakened	1,181	(3,785)
EURO/RM		
-Strengthened	222	63
-Weakened	(222)	(63)
CNY/RM		
-Strengthened	92	159
-Weakened	(92)	(159)
PHP/RM		
-Strengthened	13	(54)
-Weakened	(13)	54

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

Exposures to foreign exchange rates vary during the financial period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be 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 flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order 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.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 has entered into interest rate swap in order 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 period were:

	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
Fixed rate instruments:				
Fixed deposits with licensed institutions	45,284	57,728	31,045	30,498
Lease liabilities	(9,150)	(11,756)	-	(27)
Loans and borrowings	(186,684)	(198,914)	-	-
Other payables	(74,015)	(22,865)	(16,250)	(14,600)
	(224,565)	(175,807)	14,795	15,871
Floating rate instruments:				
Amount due from related companies	-	-	263,026	366,492
Amount due to related companies	-	-	(130,705)	(139,157)
Loans and borrowings	(773,332)	(917,494)	(101,575)	(123,073)
	(773,332)	(917,494)	30,746	104,262

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 period would not affect profit or loss.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 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 period would have increased/(decreased) net loss/profit/equity for the financial period by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Net loss/profit for the financial period			
	Group		Company	
	31.3.2025 RM'000	30.9.2023 RM'000	31.3.2025 RM'000	30.9.2023 RM'000
Floating rate instruments:				
+ 50 bp	3,867	4,587	153	(521)
- 50 bp	(3,867)	(4,587)	(153)	521

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

34.3 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.

	31.3.2025		30.9.2023	
	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 assets/(liabilities):				
Interest rate swap contracts	(1,512)	(1,512)	2,530	2,530
Forward exchange contracts	(161)	(161)	(4,913)	(4,913)

There were no transfers between Level 1 and Level 2 during the financial period (30.9.2023: no transfer in either direction).

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.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.3 Fair value of financial instruments (cont'd)

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.

35. OPERATING SEGMENT

35.1 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 control system and data communication products.

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.

35. OPERATING SEGMENT (CONT'D)

35.1 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
31.3.2025						
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 losses	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

35. OPERATING SEGMENT (CONT'D)

35.1 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
30.9.2023						
Revenue						
External customers		-	577,708	15,289	-	592,997
Inter-segment	i	27,516	93,274	25,200	(145,990)	-
Total revenue		27,516	670,982	40,489	(145,990)	592,997
Results						
Finance income		51,591	80,410	2	(83,855)	48,148
Finance costs		(42,637)	(149,637)	(2,085)	86,030	(108,329)
Depreciation and amortisation		(1,385)	(20,570)	(1,915)	(1,836)	(25,706)
Non-cash items other than depreciation	ii	2,831	(79,491)	(8)	(5,167)	(81,835)
Tax expense		(4,002)	(4,329)	-	-	(8,331)
Segment losses	iii	101,326	(371,298)	(11,249)	(117,033)	(398,254)
Assets						
Segment assets		233,210	3,298,912	21,347	(1,052,180)	2,501,289
Investment in associates		-	1,048	-	(150)	898
Additions to non-current assets (other than financial instruments)	iv	18	5,503	681	365	6,567
Liabilities						
Segment liabilities		731,601	3,079,175	51,205	(1,835,200)	2,026,781

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.

35. **OPERATING SEGMENT (CONT'D)**

35.1 **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:

	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Provision of performance bond	-	(39,900)
Fair value gain/(loss) on derivative financial instruments	4,289	(107)
Unrealised (loss)/gain on foreign exchange	(17,270)	19,980
Gain on lease termination	151	70
Bad debt written off	(2,239)	-
(Impairment)/Reversal of impairment of:		
- Intangible assets	-	(18,099)
- Receivables	(24,458)	(13,435)
- Property, plant and equipment	-	(30,005)
- Contract asset	(230,355)	-
- Associate	(1,485)	-
Written down of inventories	(500)	-
Fair value loss from contract modification	(14,143)	-
Share of loss of equity-accounted associate	(898)	(332)
Property, plant and equipment written off	(534)	(7)
	(287,442)	(81,835)

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

	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Consolidated loss before interest and tax	(259,211)	(329,742)
Finance income	46,728	48,148
Finance costs	(121,151)	(108,329)
Tax expense	(5,890)	(8,331)
Segment loss	(339,524)	(398,254)

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

	31.3.2025 RM'000	30.9.2023 RM'000
Property, plant and equipment	877	6,567

35. OPERATING SEGMENT (CONT'D)

35.2 Geographical segments

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

	Revenue		Non-current assets	
	1.10.2023 to 31.3.2025 RM'000	**1.7.2022 to 30.9.2023 RM'000**	**31.3.2025 RM'000**	**30.9.2023 RM'000**
Group				
Malaysia	149,664	303,304	70,501	65,735
Cambodia	104,424	139,155	103,776	149,734
Papua New Guinea	19,416	32,249	-	-
Philippines	19,782	67,691	13	-
China	13,256	3,493	188	47
South Africa	1,119	10,194	37	70
Kyrgyzstan	1,114	-	-	-
Iraq	283,219	36,911	-	-
	591,994	592,997	174,515	215,586

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

35.3 Information about major customers

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

	Segment	1.10.2023 to 31.3.2025 RM'000	1.7.2022 to 30.9.2023 RM'000
Customer A	EPMCC	-	164,710
Customer B	EPMCC	-	70,768
Customer C	EPMCC	-	67,691
Customer D	EPMCC	283,219	-
Customer E	EPMCC	77,702	-

36. CAPITAL MANAGEMENT

The Group maintains a strong capital base to safeguard its ability to continue as a going concern by maintaining shareholders, creditors and market confidence to sustain future growth and development of its businesses. 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.

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.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND AFTER THE REPORTING DATE

(a) PESTECH Technology Sdn. Bhd. (“PTE”), a wholly owned subsidiary of the Company, had on 16 January 2024, accepted the Letter of Award from Malaysia Airports (Sepang) Sdn. Bhd. for the design, supply, installation, testing and commissioning of the Automated People Mover at KL International Airport (“KLIA”) (“Project”). All the associated works were awarded to Alstom Transport Systems (Malaysia) Sdn. Bhd. ("Alstom") and to an unincorporated Joint Venture (“JV”) between IJM Construction Sdn. Bhd. (“IJMC”) and PTE (“IJMC-PESTECH JV”). The contract value for IJMC-PESTECH JV is RM175,648,006.90. The participating interest of IJMC-PESTECH JV is in proportion to the project works of 60% (IJMC) and 40% (PTE), respectively.

(b) On 6 August 2024, FNX entered into a Sale and Purchase agreement ("SPA") with an external party for the disposal of all the pieces of freehold industrial land known as Lot No: D16 @ KIIP Kapar 2 in Mukim Jeram, Daerah Kuala Selangor, Negeri Selangor measuring approximately 12,025 square meter for a total consideration of RM8,412,000. The disposal was completed on 31 March 2025.

(c) On 30 August 2024, Pestech Sdn. Bhd. ("PSB"), a wholly-owned subsidiary of the Company, 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 cash consideration of Php 13,020,000 (equivalent to RM1.06 million). PCO ceased to be an associate of the Company following the completion of the sale on 30 August 2024.

(d) The Company had on 18 December 2024, completed the listing and quotation of 1,333,335,000 Restricted Shares on the Main Market of Bursa Securities Malaysia Berhad, at an issue price of RM0.12 per Restricted Share. As a result, the Company's share capital has increased from RM232,941,897 to RM392,942,097.

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”).

37. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND AFTER THE REPORTING DATE (CONT'D)

(e) 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 as mentioned under Note 37(d) above. 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.

(f) As at 31 March 2025, one of the PCL's main construction projects remains ongoing. The Scheduled Commercial Operation Date ("4th SCOD") was previously extended to 30 June 2025, with official approval granted by the relevant government authority on 8 November 2023. On 27 May 2025, the 4th SCOD was mutually revised by the project employer and the Company to 31 December 2025 under a Second Supplemental Agreement and on 5 June 2025, application for obtaining the formal approval from the relevant government authority was submitted by the project employer, and such approval remains pending as of the report date.

Pursuant to the Second Supplemental Agreement, the Company is working closely with the project employer to ensure timely completion of the project by the revised 4th SCOD of 31 December 2025. No liquidated ascertained damages apply during this extension period, as the extension is backed by a USD 1 million (equivalent to RM4.432 million). deposit placed by the Company in accordance with the Second Supplemental Agreement. Accordingly, no provision has been recognised as at 31 March 2025.

38. COMPARATIVE INFORMATION

The comparative figures are for the financial period from 1 July 2022 to 30 September 2023 as the Group and the Company had changed their financial year end from 30 September 2024 to 31 March 2025. Consequently, the comparative figure 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 not comparable.

PESTEC

PESTEC INTERNATIONAL BERHAD
(formerly known as PESTECH 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. ____________________

of ____

being a member/members of **PESTEC INTERNATIONAL BERHAD (formerly known as PESTECH International Berhad)** ("**Company**"), hereby appoint :-

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

*and/or *delete if inapplicable

Full Name (in Block)	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 Fourteenth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian and Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 September 2025 at 10.00 a.m. or any adjournment thereof.

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 Lim Pay Chuan as a Director of the Company.		
4.	To re-elect Tan Sri Dato' Seri Mohd Zuki bin Ali as a Director of the Company.		
5.	To re-elect Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai as a Director of the Company.		
6.	To re-elect Datuk Mohamed Razeek bin Md Hussain Maricar as a Director of the Company.		
7.	To re-elect Dato' Wee Yiaw Hin @ Ong Yiaw Hin as a Director of the Company.		
8.	To re-elect Roza Shahnaz Binti Omar as a Director of the Company.		
9.	To re-elect Masnizam Binti Hisham as a Director of the Company.		
10.	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights		
11.	Proposed new shareholders mandate for recurrent related party transactions of a revenue or trading nature		
12.	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 27 August 2025 shall be eligible to attend, speak and vote at the 14th 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 14th AGM shall have the same rights as the member to attend, speak and vote at the 14th 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 and vote at the same meeting. Where a member appoints two (2) proxies to attend 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 instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's share registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time appointed for holding the 14th AGM.*

(8) *The resolutions set out in this Notice of Annual General Meeting will be put to vote by poll.*

(9) *The 14th AGM will be conducted on physical basis. Members are advised to refer to the Administrative Guide on the registration and voting process for the 14th AGM.*

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The Share Registrar of

PESTEC INTERNATIONAL BERHAD
(formerly known as PESTECH INTERNATIONAL BERHAD)
c/o Securities Services (Holdings) Sdn Bhd

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

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PESTEC International Berhad

(formerly known as PESTECH International Berhad)
Registration No. : 201101019901 (948035-U)

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Kuala Lumpur, Malaysia

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