

THIS CIRCULAR TO SHAREHOLDERS OF PESTECH INTERNATIONAL BERHAD (“PESTECH” OR THE “COMPANY”) (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only perused the contents of Part A of this Circular in respect of the Proposed New Shareholders’ Mandate (as defined below) on a limited review basis pursuant to the provision of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”). Bursa Securities has not perused the contents of Part B of this Circular in respect of the Proposed Change of Name (as defined below) prior to its issuance as they are prescribed as an exempt document pursuant to Practice Note 18 of the Listing Requirements.

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

PESTECH

PESTECH INTERNATIONAL BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-

PART A

PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)

PART B

PROPOSED CHANGE OF NAME OF THE COMPANY FROM “PESTECH INTERNATIONAL BERHAD” TO “PESTEC INTERNATIONAL BERHAD” (“PROPOSED CHANGE OF NAME”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser for Part A and Part B

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of PESTECH to be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 February 2025 at 9.30 a.m., or any adjournment thereof, together with the accompanying Proxy Form are enclosed herein.

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

Last day, date and time for you to lodge the Proxy Form: Tuesday, 25 February 2025 at 9.30 a.m.

Day, date and time of the EGM : Thursday, 27 February 2025 at 9.30 a.m., or any adjournment thereof

This Circular is dated 5 February 2025

DEFINITIONS

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

“Act”	: The Companies Act 2016
“AGM”	: Annual general meeting of our Company to be convened
“Board”	: Our Board of Directors
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CCM”	: Companies Commission of Malaysia
“Circular”	: This circular to the shareholders of PESTECH dated 5 February 2025 in relation to the Proposals
“Constitution”	: The constitution of our Company
“Director(s)”	: The director(s) of PESTECH and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“DMIA”	: Dhaya Maju Infrastructure (Asia) Sdn Berhad (Registration No. 199601013646 (385996-H))
“DMIA Group”	: DMIA and its subsidiaries, collectively
“EGM”	: Extraordinary general meeting of our Company to be held on 27 February 2025
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 27 January 2025, being the latest practicable date prior to the printing and despatch of this Circular
“Major Shareholder(s)”	: A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in our Company; or (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. For the purpose of the Proposed New Shareholders’ Mandate, Major Shareholder(s) shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction(s) were agreed upon, a Major Shareholder of PESTECH as defined above or any other company which is a subsidiary or holding company of PESTECH
“Person(s) Connected”	: Person(s) connected to a Director or Major Shareholder as defined under Paragraph 1.01 of the Listing Requirements
“PESTECH” or the “Company”	: PESTECH International Berhad (Registration No. 201101019901 (948035-U))
“PESTECH Group” or the “Group”	: PESTECH and its subsidiaries, collectively
“Proposals”	: Proposed New Shareholders’ Mandate and Proposed Change of Name, collectively

DEFINITIONS (CONT'D)

“Proposed Change of Name”	:	Proposed change of name of our Company from “PESTECH International Berhad” to “PESTEC International Berhad”
“Proposed Shareholders’ Mandate”	New	: Proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature
“Related Party(ies)”	:	Directors(s), Major Shareholder(s) and/or Person(s) Connected
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RRPT(s)”	:	Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for our day-to-day operations and to be entered into by PESTECH and/or our subsidiaries and the Related Parties, which are in the ordinary course of business of our Group
“UOBKH” or “Adviser”	the	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))

Our subsidiaries

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

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

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

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

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

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PART A

**LETTER TO THE SHAREHOLDERS OF PESTECH IN RELATION TO THE
PROPOSED NEW SHAREHOLDERS' MANDATE**

PESTECH

PESTECH INTERNATIONAL BERHAD
(Registration No. 201101019901 (948035-U))
(Incorporated in Malaysia)

Registered Office
No. 26, Utarid U5/14
Seksyen U5
40150 Shah Alam
Selangor Darul Ehsan

5 February 2025

Board of Directors

Tan Sri Dato' Seri Mohd Zuki Bin Ali (Non-Independent Non-Executive Chairman)
Lim Ah Hock (Non-Independent Non-Executive Deputy Chairman)
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (Group Executive Director)
Datuk Mohamed Razeek Bin Md Hussain Maricar (Group Managing Director)
Lim Pay Chuan (Group Chief Executive Officer)
Dato' Harjit Singh A/L Gurdev Singh (Non-Independent Non-Executive Director)
Hoo Siew Lee (Independent Non-Executive Director)
Helen Tan Miang Kieng (Independent Non-Executive Director)

To: The shareholders of PESTECH

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 21 January 2025, UOBKH, on behalf of our Board, announced that our Company's intention to seek shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming EGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

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

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

Accordingly, our Board proposes to seek our shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming EGM. The Proposed New Shareholders' Mandate will allow our Group, in the ordinary course of business, to enter into the RRPTs with the Related Parties referred to in **Part A, Section 2.5** of this Circular, provided that such transactions are made at arm's length, on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of PESTECH.

If approved, the Proposed New Shareholders' Mandate shall be valid for the period described in **Part A, Section 2.2** of this Circular.

2.2 Validity period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate is subject to renewal and if approved by the shareholders of our Company at the forthcoming EGM, the Proposed New Shareholders' Mandate shall take effect from the date of passing of the ordinary resolution for the Proposed New Shareholders' Mandate at the forthcoming EGM and shall continue to be in force until:-

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

whichever is the earlier.

Thereafter, shareholders' approval will be sought for the renewal of the Proposed New Shareholders' Mandate at each subsequent AGM to enter into the RRPTs.

The RRPTs that are contemplated under the Proposed New Shareholders' Mandate are in compliance with Paragraph 10.09(2) of the Listing Requirements and the relevant provisions under Section 3.1 and Section 3.2 of Practice Note 12 of the Listing Requirements.

Notwithstanding the above, our Company is cognisance and mindful of Paragraph 10.09(2) of the Listing Requirements. Hence, in this respect, our Company will observe and closely monitor the actual value of a RRPT to be entered by our Group. Accordingly, we shall make an immediate announcement if the actual value of a RRPT entered into by our Group exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and shall include the information as may be prescribed by Bursa Securities in the said announcement.

2.3 Principal activities of our Group

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

Company	Effective equity interest (%)	Principal activities
ENERSOL Co Ltd	100	Investment holding, provision of comprehensive power system engineering and technical solution for procurement, and installation of substations, transmission lines and underground cables for electric power transmission and distribution
FNX	100	Investment holding
PCL	94.7	Construction of electrical substation and transmission line
PESTECH (PNG) Ltd	100	Provision of project management, electrical substations and transmission line erection and installation, supervision of testing and commissioning and civil works

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

Company	Effective equity interest (%)	Principal activities
<u>Subsidiaries of PPW</u> Diamond Power Ltd	60	Supplying, installing, maintaining, repairing and operating power substation and power transmission (inactive after the disposal of concession asset)
PP1	100	Investment holding
ASF	100	Investment holding
PESTECH REI Sdn Bhd	90	Inactive
PESTECH Pluginfinite Sdn Bhd	100	Investment holding and provision of electric vehicles (EV) charging facilities, green renewable energy services and other ancillary services
<u>Subsidiary of PP1</u> ODM Power Line Company Limited	70	Construction of electrical substation and transmission line
<u>Subsidiary of ASF</u> Green Sustainable Ventures (Cambodia) Co Ltd	94	Establish infrastructure for power sector such as electric power generation, power transmission, power distribution and operation in Cambodia
<u>Subsidiaries of PSB</u> PESTECH (Brunei) Sdn Bhd	90	Inactive
PESTECH Transmission Limited	100	Inactive
<u>Subsidiary of PTE</u> CRSE Sdn Bhd	100	Provision of project management, engineering, design, procurement, construction and related support services in relation to railway electrical and mechanical projects
<u>Subsidiary of PTR</u> PESTECH Transmission CDI SARL	100	Construction services

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2.4 Principal activities of DMIA Group

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

Company	Effective equity interest (%)	Principal activities
Silver Field Land Sdn Bhd	100	Construction, property development, project management and purchase and sale of properties and land
Dhaya Maju PVATM (M) Sdn Bhd	*80	Construction and development of properties
Richfield Builder (M) Sdn Bhd	100	Construction and development of properties
DMIA Kansai Resources Sdn Bhd	100	Dormant
Monorail Mobility Int Berhad	100	Dormant
Dhaya Maju Resources Ltd	100	Dormant
DMIA Builders (Thailand) Co Ltd	100	Dormant
Dhaya Maju LTAT Sdn Bhd	*80	Construction of roads and railways
DMIA Land (India) Private Limited	*99.99	Infrastructure development
Jabalpur Corridor (India) Private Limited	*99.89	Infrastructure development
Eastern Railways Sdn Bhd	64	Dealing in railway business
Dhaya Maju Corporation Limited	100	Dormant

Note:-

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

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2.5 Classes of Related Party and nature of the RRPTs

The details of the RRPTs which will be entered into by our Group and the Related Parties are set out below:-

Transacting parties		Nature of the RRPTs	Interested Major Shareholders/Directors	Estimated aggregate value of transaction from the date of the forthcoming EGM to the date of the next AGM (RM'000)
Companies involved	Related Parties			
PESTECH Group	DMIA Group	<p>(i) Provision of services and/or sales of related products by DMIA Group to PESTECH Group in respect of the engineering, procurement, construction and commissioning of public mobility and transportation (railways and highways), railway engineering and technology, which includes but not limited to the following:-</p> <p>(a) provision of subcontracting services of design and build turnkey for power supply and distribution system, rail electrification which covers overhead catenary systems, conductor rail and traction power systems (AC and DC), replacement with hydrogen-powered or battery-powered systems, signaling, communications, automated people mover and other rail related services;</p> <p>(b) provision of operation, repair and maintenance services for rail equipment and other ancillary services;</p> <p>(c) procurement of rail related components required for the projects undertaken by PESTECH Group and/or DMIA Group;</p> <p>(d) provision of training and technical knowledge transfer to develop and upskill the project teams of PESTECH Group and/or DMIA Group;</p> <p>(e) project management services for the projects undertaken by PESTECH Group and/or DMIA Group to ensure timely delivery of the projects;</p> <p>(f) development and system integration of solutions relating to the projects undertaken by PESTECH Group and/or DMIA Group; and</p> <p>(g) supply of advisory and/or manpower to support the projects undertaken by PESTECH Group and/or DMIA Group;</p>	<p>Interested Major Shareholders</p> <p>(i) DMIA</p> <p>(ii) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai⁽¹⁾⁽²⁾</p> <p>(iii) Datuk Mohamed Razeek Bin Md Hussain Maricar⁽¹⁾⁽²⁾</p> <p>Interested Directors</p> <p>(i) Datuk Seri (Dr.) Subramaniam Pillai A/L Pillai⁽¹⁾⁽²⁾</p> <p>(ii) Datuk Mohamed Razeek Bin Md Hussain Maricar⁽¹⁾⁽²⁾</p>	*Up to 475,000

Transacting parties		Interested Major Shareholders/Directors	Estimated aggregate value of transaction from the date of the forthcoming EGM to the date of the next AGM (RM'000)
Companies involved	Related Parties		
		<p style="text-align: center;">Nature of the RRPTs</p> <p>(ii) provision of services and/or sales of related products by PESTECH 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:-</p> <p>(a) design, installation and commissioning of electrical power system and infrastructures;</p> <p>(b) technical advisory and support in respect of electrical power system and infrastructures;</p> <p>(c) electrification and power automation services for energy related plants, which includes solar farm, battery energy storage system, thermal, hydro and waste energy facilities;</p> <p>(d) sale and/or installation of power related products and solutions, which includes systems to monitor substations, renewable energy solutions for power microgrids, electric vehicle (EV) charging and Advanced Metering Infrastructure (AMI) solutions; and</p> <p>(e) sale of plant, machineries, other equipment and auxiliaries.</p>	*Up to 25,000

Notes:-

* The estimated value as set out above is based on our management's estimates of the value of transactions to be undertaken for the period from the forthcoming EGM to the next AGM. However, the value of transactions may be subject to changes. Disclosure will be made in our Annual Report for the financial year ending 31 March 2025 of the actual breakdown of the aggregate value of transactions contemplated as required under Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.

- (1) Deemed interested by virtue of his direct shareholdings in DMIA pursuant to Section 8 of the Act.
- (2) Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai and Datuk Mohamed Razeek Bin Md Hussain Maricar are both the directors and substantial shareholders of PESTECH and DMIA.

2.6 Amount due and owing to our Group by the Related Parties

There have been no transactions between our Group and the Related Parties to-date and both parties will only commence to transact after obtaining our shareholders' approval at the forthcoming EGM in respect of the Proposed New Shareholders' Mandate.

2.7 Review procedures for the RRPTs

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

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

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

2.8 Statement by our Audit Committee

Our Audit Committee has reviewed the procedures set out in **Part A, Section 2.7** of this Circular and is of the view that the review procedures for RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with our Group's normal commercial terms, and on terms which are not more favourable to the Related Party than those generally available to the public, and hence, will not be detrimental to the minority shareholders. Any member of our Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

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

3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The RRPTs to be entered into by our Group with the Related Parties shall be in the ordinary course of business and are deemed necessary for our Group's day-to-day operations and growth prospects. The RRPTs set out in **Part A, Section 2.5** of this Circular shall be new recurring transactions of a revenue or trading nature that contribute either directly or indirectly to the generation of our Group's revenue and cost structures. It should also be noted that engaging in these transactions with Related Parties will offer a distinct advantage to our Group as we are able to leverage on our familiarity with their background, reputation track record, financial standing and management practices. This familiarity empowers us to make well-informed commercial decisions. The close collaboration between our Group and the Related Parties at arm's length basis (which is subject to our shareholders' approval at the forthcoming EGM) is expected to reap mutual benefits, fostering a new synergistic relationship that may strengthen our operations and business moving forward. We expect this strategic cooperation to deliver enhanced value to our Group's businesses, driving growth and sustained success.

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

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

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

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

5. APPROVALS REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval being obtained from the shareholders of our Company at the forthcoming EGM or at any adjournment thereof.

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

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

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

	Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%
<u>Interested Directors and Major Shareholders</u>				
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai	-	-	1,333,335,000	(2)57.52
Datuk Mohamed Razeek Bin Md Hussain Maricar	-	-	1,333,335,000	(2)57.52
<u>Interested Major Shareholder</u>				
DMIA	1,333,335,000	57.52	-	-

Notes:-

(1) Based on the total number of issued Shares of the Company of 2,317,890,371 Shares (excluding treasury shares) as at the LPD.

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

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

In addition, the interested Directors and Major Shareholders have undertaken to ensure that all Persons Connected will abstain from voting in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

7. DIRECTORS' STATEMENT/RECOMMENDATION

After considering all aspects of the Proposed New Shareholders' Mandate, our Board (save for the interested Directors) is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of our Company and recommend that you vote in favour of the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 February 2025 at 9.30 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolution to give effect to the Proposed New Shareholders' Mandate.

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

9. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
PESTECH INTERNATIONAL BERHAD

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

PART B

**LETTER TO THE SHAREHOLDERS OF PESTECH IN RELATION TO THE
PROPOSED CHANGE OF NAME**

PESTECH

PESTECH INTERNATIONAL BERHAD
(Registration No. 201101019901 (948035-U))
(Incorporated in Malaysia)

Registered Office
No. 26, Utarid U5/14
Seksyen U5
40150 Shah Alam
Selangor Darul Ehsan

5 February 2025

Board of Directors

Tan Sri Dato' Seri Mohd Zuki Bin Ali (Non-Independent Non-Executive Chairman)
Lim Ah Hock (Non-Independent Non-Executive Deputy Chairman)
Datuk Seri (Dr.) Subramaniam Pillai A/L Sankaran Pillai (Group Executive Director)
Datuk Mohamed Razeek Bin Md Hussain Maricar (Group Managing Director)
Lim Pay Chuan (Group Chief Executive Officer)
Dato' Harjit Singh A/L Gurdev Singh (Non-Independent Non-Executive Director)
Hoo Siew Lee (Independent Non-Executive Director)
Helen Tan Miang Kieng (Independent Non-Executive Director)

To: The shareholders of PESTECH

Dear Sir/Madam,

PROPOSED CHANGE OF NAME

1. INTRODUCTION

On 21 January 2025, UOBKH, on behalf of our Board, announced that our Company proposes to change its name from "PESTECH International Berhad" to "PESTEC International Berhad".

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CHANGE OF NAME AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED CHANGE OF NAME

The proposed name “PESTEC International Berhad” was approved by the CCM on 7 January 2025 and the reservation period for the use of the proposed new name is valid for a period of 30 days from 7 January 2025. Subsequently, and if so required, our Company will continue to extend the reservation period with the CCM.

In conjunction with the Proposed Change of Name, our Constitution will be amended accordingly. All references in our Constitution to the name of “PESTECH International Berhad”, wherever the same may appear, shall be substituted with the name of “PESTEC International Berhad”.

3. RATIONALE FOR THE PROPOSED CHANGE OF NAME

The Proposed Change of Name is undertaken as part of a strategic rebranding effort. The concise name preserves the familiarity of our previous established brand legacy while enhancing recognition and facilitating clearer communication. The Proposed Change of Name maintains a strong connection to our previous Company name whilst embracing simplicity to ensure the new “PESTEC” identity (which is set out below) resonates more effectively with stakeholders:-



The Proposed Change of Name aims to foster greater engagement and strengthen public confidence in our Group’s initiatives and future endeavours.

4. EFFECTS OF THE PROPOSED CHANGE OF NAME

The Proposed Change of Name will not have any effect on our Company’s issued share capital, substantial shareholders’ shareholdings, earnings, earnings per share, net assets and gearing of our Group.

5. APPROVALS REQUIRED

The Proposed Change of Name is subject to the approval being obtained from the shareholders of our Company at the forthcoming EGM.

The Proposed Change of Name, if approved by our shareholders, will take effect from the date of issuance of the Notice of Registration of New Name by the CCM to our Company.

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

None of our Directors, Major Shareholders and/or Persons Connected have any interest, whether direct or indirect, in the Proposed Change of Name.

7. DIRECTORS’ STATEMENT/RECOMMENDATION

After considering all aspects of the Proposed Change of Name, our Board is of the opinion that the Proposed Change of Name is in the best interest of our Company and recommend that you vote in favour of the resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming EGM.

8. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 February 2025 at 9.30 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolution to give effect to the Proposed Change of Name.

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

9. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
PESTECH INTERNATIONAL BERHAD

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

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

UOBKH, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. MATERIAL CONTRACTS

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

- (i) business transfer agreement dated 20 October 2022 entered into between Diamond Power Limited ("**DPL**"), a 60%-owned indirect subsidiary of PESTECH, and Cambodian Transmission II Co Ltd ("**CTL II**") for the disposal by DPL of the 230 kilovolt ("**kV**") Kampong Cham-Kratie Transmission System to CTL II for a total disposal consideration of United States Dollar ("**USD**") 118.0 million ("**Disposal**"). The Disposal was completed on 22 March 2023;
- (ii) settlement agreement dated 1 March 2023 entered into between Transgrid Ventures Sdn Bhd ("**TGV**") and CRSE Sdn Bhd ("**CRSE**"), an indirect wholly-owned subsidiary of PESTECH, for an out-of-court settlement sum of RM20.0 million in relation to an arbitration proceeding between both parties;
- (iii) conditional subscription agreement dated 24 July 2023 entered into between PESTECH and IJM Corporation Berhad ("**IJM**") for a restricted issue of 800,000,000 new ordinary shares in PESTECH ("**Share(s)**"), representing approximately 81.25% of the total number of issued Shares of PESTECH (excluding treasury shares) to IJM at an issue price of RM0.155 per Share ("**Subscription Agreement 2023**"). Our Company and IJM had on 15 August 2024 mutually terminated the Subscription Agreement 2023 due to non-fulfilment of the conditions precedent pursuant to the Subscription Agreement 2023;
- (iv) share sale and purchase agreement dated 1 April 2024 entered into between FNX, a direct wholly-owned subsidiary of PESTECH, and Resintech Berhad for the disposal of its 100% equity interest in Forward Metal Works Sdn Bhd for a total cash consideration of RM5.4 million;
- (v) equity interest transfer agreement dated 5 May 2024 entered into between PESTECH and PESTECH Engineering Technology Hong Kong Limited for the disposal of 100% equity interest in PESTECH Engineering Technology China Co Limited for a total cash consideration of USD520,000 to be paid within 2 years upon completion of change of registration procedures;
- (vi) sale and purchase agreement dated 6 August 2024 entered into between FNX, a direct wholly-owned subsidiary of PESTECH and A2Z Warehouse Sdn Bhd for the disposal of freehold industrial land at Daerah Kuala Selangor, measuring approximately 12,205 square metre in area, for a total cash consideration of RM8.4 million;

FURTHER INFORMATION (CONT'D)

- (vii) heads of agreement dated 16 August 2024 entered into between PESTECH and DMIA (“**Subscriber**”) for the subscription by the Subscriber of a minimum of 1,032,720,000 new Shares, representing not less than 51% of the total enlarged issued share capital of PESTECH, at a subscription price of RM0.155 per Share;
- (viii) shares sale agreement dated 30 August 2024 entered into between PSB and Mr. Haresh Mirpuri for the disposal of PSB’s 40% equity interest in PESTECH Corporation in Philippines for a disposal consideration of Philippine Peso 13,020,000; and
- (ix) conditional subscription agreement dated 4 October 2024 entered into between PESTECH and the Subscriber for the subscription by the Subscriber of 1,333,335,000 new Shares to be issued by our Company to the Subscriber (“**Restricted Share(s)**”) for a total subscription price of RM160,000,200 at an issue price of RM0.12 per Restricted Share (“**Restricted Issue**”). The Restricted Issue was completed on 18 December 2024.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

(i) **Lion Pacific Sdn Bhd (“LPSB”)**

Shah Alam High Court, Civil Suit No. BA-22NCvC-85-02/2021, LPSB (Plaintiff) vs PTE (Defendant)

Pursuant to the sub-contract agreement dated 24 November 2014 (“**Sub-Contract**”), LPSB appointed PTE as the sub-contractor 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 (“**High Court Suit**”).

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.

Pleadings are closed and parties are attending to the pre-trial case management directions given by the High Court. LPSB and PTE are also currently in the midst of settlement negotiations. The next case management is fixed on 27 February 2025 for the parties to update the High Court on the status of the settlement negotiations between both parties. Parties are also to file to the Chronology of Case for this matter on or before 24 February 2025.

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

FURTHER INFORMATION (CONT'D)

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

On 24 August 2018, PTE was appointed by SPYTL as the subcontractor to undertake the contract works for the design, construction, supply, installation, completion, testing, commissioning and maintenance of the electrified double track rail project from Gemas to Johor Bahru (“**Gemas Project**”). On 18 December 2018, SPYTL and PTE entered into the sub-contracting agreement for the Gemas Project (“**SPYTL Sub-contracting Agreement**”).

On 10 May 2023, PTE received a Notice of Termination for Default from SPYTL terminating PTE as the sub-contractor for the Gemas Project (“**Notice of Termination for Default**”).

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

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

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

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

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

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

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

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

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

FURTHER INFORMATION (CONT'D)

There has yet to be any further instructions from the Arbitration Panel on this matter.

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

Kuala Lumpur High Court, Civil Suit No. WA-22C-44-06/2023, PSB (Plaintiff) vs SPYTL (Defendant)

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

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

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

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

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

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

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

With regards to the Main Suit, the next Case Management Session had been fixed for 10 April 2025 whereby parties were instructed to finalise and compile the Bundle of Documents and update on the Court of Appeal’s decision. In the interim, the High Court fixed the trial to be conducted on 16 June 2025 to 18 June 2025 and 23 June 2025 to 25 June 2025.

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

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

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

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

FURTHER INFORMATION (CONT'D)

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

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

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

(iii) Jalur Tegas Sdn Bhd (“Jalur Tegas”)

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

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

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

Jalur Tegas has applied for summary judgment in respect of the Original Action (“**Summary Judgment Application**”) and to strike out the PTE Counterclaim (“**Striking Out Application**”). The hearing for the Summary Judgement Application and Striking Out Application originally fixed on 28 October 2024, which was first rescheduled to 16 January 2025 has now been postponed to 21 March 2025.

The instructing solicitors acting for PTE are unable to determine the financial outcome at this juncture. However, they have indicated that if Jalur Tegas succeeds in their Summary Judgment Application, PTE will be liable for the sum of RM1,037,369.76, with interest and costs. At this juncture, the instructing solicitors are of the view that PTE has a more than even chance of succeeding in opposing the Summary Judgment Application.

(iv) Siemens Malaysia Sdn Bhd (“Siemens”)

Shah Alam High Court, Civil Suit No. BA-22NCC-152-08/2024, Siemens (Plaintiff) vs PEN and PESTECH (Defendants)

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

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

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

FURTHER INFORMATION (CONT'D)

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

Summary Judgment Application

During the case management on 4 December 2024, Siemens' solicitors have informed the Court that the Notice of Application for Summary Judgment was filed on 4 December 2024 and the Court has given directions as follows:-

- (a) Siemens to file Affidavit in Support on or before 18 December 2024;
- (b) PEN and PESTECH to file their respective Affidavits in Reply on or before 6 January 2025;
- (c) Siemens to file Affidavit in Reply on or before 20 January 2025;
- (d) the parties to file Written Submissions on or before 3 February 2025;
- (e) the parties to file Reply Submissions on or before 10 February 2025; and
- (f) decision in respect of the Summary Judgment and the case management for the Main Suit fixed on 19 February 2025.

The parties have filed their respective Affidavits and Submissions in this matter which is to be followed by Reply Submissions on or before 10 February 2025.

Mediation

PEN and PESTECH intend to pursue court-led mediation as a means to amicably reach a settlement of this matter. The process is currently ongoing.

The instructing solicitors acting for PEN and PESTECH are unable to determine the financial outcome at this juncture. However, they have indicated that there appears to be no evidence at present to support any defence that could be raised by PEN or PESTECH against the amounts claimed.

(v) Shandong Power Equipment Co Ltd (“SPECO”)

Arbitration, SPECO (Claimant) vs PSB (Respondent)

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

FURTHER INFORMATION (CONT'D)

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

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

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

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

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

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

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

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

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

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

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

FURTHER INFORMATION (CONT'D)

Settlement Negotiation

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

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

By virtue of the settlement agreement (acknowledged by SPECO by way of an email to PSB on 17 January 2025), whereby PSB has agreed to make payment of USD595,101.35 ("**Outstanding Sum**") and the Remaining Balance. The latter is to be paid to SPECO after the expiry of the DLP for the Junjung Project, ending on 23 November 2028. In return, SPECO shall withdraw the arbitration proceedings upon receiving the 1st monthly instalment in respect of the Outstanding Sum.

In accordance with the settlement agreement, PSB has fully paid the 1st monthly instalment in respect of the Outstanding Sum of USD297,550.60 on 28 January 2025. As a result thereof, necessary arrangements are presently made for the arbitration proceedings to be duly withdrawn.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 26, Jalan Utarid U5/14, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Constitution;
- (ii) the audited consolidated financial statements of our Group for the past 2 financial years up to the financial year ended 30 September 2023;
- (iii) the unaudited consolidated financial statements of our Group for the financial period ended 30 September 2024;
- (iv) the letter of consent referred to in **Section 2** of this **Appendix I**;
- (v) the material contracts referred to in **Section 3** of the **Appendix I**; and
- (vi) the relevant cause papers in relation to the material litigation referred to in **Section 4** of this **Appendix I**.

PESTECH

PESTECH INTERNATIONAL BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of PESTECH International Berhad (“**PESTECH**” or the “**Company**”) will be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, on Thursday, 27 February 2025 at 9.30 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolutions:-

ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)

“**THAT**, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to PESTECH and its subsidiaries (“**PESTECH Group**” or the “**Group**”) to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in **Part A, Section 2.5** of the circular to shareholders dated 5 February 2025, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT, the Proposed New Shareholders’ Mandate is subject to annual renewal and if approved by the shareholders of the Company at the forthcoming EGM, the Proposed New Shareholders’ Mandate shall take effect from the date of passing of the ordinary resolution for the Proposed New Shareholders’ Mandate at the forthcoming EGM and shall continue to be in force until:-

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

whichever is the earlier.

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

SPECIAL RESOLUTION

PROPOSED CHANGE OF NAME OF THE COMPANY FROM “PESTECH INTERNATIONAL BERHAD” TO “PESTEC INTERNATIONAL BERHAD” (“PROPOSED CHANGE OF NAME”)

“**THAT**, the name of the Company be hereby changed from “PESTECH International Berhad” to “PESTEC International Berhad” effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company and that all references in the Constitution of the Company to the name of “PESTECH International Berhad”, wherever the same may appear, shall be substituted with the name of “PESTEC International Berhad”;

AND THAT, the Board of Directors of PESTECH (“**Board**”) and/or the Company Secretaries be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver or caused to be delivered, for and on behalf of the Company, all such documents as it may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise and give full effect to and complete the Proposed Change of Name with full power to assent to any terms, conditions, modifications and/or amendments in any manner as may be required by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Change of Name.”

By Order of the Board,
PESTECH INTERNATIONAL BERHAD

PAN SENG WEE (SSM PC No. 202008003688) (MAICSA 7034299)
CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)
Company Secretaries

Shah Alam
5 February 2025

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 February 2025 shall be eligible to attend the Meeting.*
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 and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
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 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 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 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 Meeting or any adjournment thereof.*
8. *The resolutions set out in this notice of EGM will be put to vote by poll.*
9. *The EGM will be conducted on physical basis. Members are advised to refer to the Administrative Guide on the registration and voting process for the EGM.*

PESTECH

[Registration No. 201101019901 (948035-U)]
(Incorporated In Malaysia)

FORM OF PROXY

CDS Account No.	Number of ordinary shares

I/We _____ NRIC No./Passport No./Company No. _____

of _____

being a member/members of **PESTECH International Berhad** 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 Extraordinary General Meeting of the Company to be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 February 2025 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below:-

Resolutions		FOR	AGAINST
ORDINARY RESOLUTION	Proposed New Shareholders' Mandate		
SPECIAL RESOLUTION	Proposed Change of Name		

Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. 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.

*Signature of Shareholder/Common Seal

Date :

Contact No. :

*Delete if inapplicable

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



Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 February 2025 shall be eligible to attend the Meeting.
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 and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
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 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 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 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 Meeting or any adjournment thereof.

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AFFIX
STAMP

PESTECH INTERNATIONAL BERHAD [201101019901 (948035-U)]
c/o Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing
