

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Sep 2022 RM'000	Preceding year corresponding quarter 30 Sep 2021 RM'000	Current period 30 Sep 2022 RM'000	Preceding year corresponding period 30 Sep 2021 RM'000
Revenue	130,163	207,813	130,163	207,813
Operating expenses	(130,938)	(183,956)	(130,938)	(183,956)
Other operating income	198	260	198	260
Other gains	14,326	425	14,326	425
Operating profit	13,749	24,542	13,749	24,542
Fair value adjustment on assets held for sale	(109,515)	-	(109,515)	-
Share of profit/(loss) of equity-accounted associate	53	(61)	53	(61)
(Loss)/Profit before interest and tax	(95,713)	24,481	(95,713)	24,481
Finance income	16,806	14,190	16,806	14,190
Finance costs	(19,848)	(14,036)	(19,848)	(14,036)
(Loss)/Profit before tax	(98,755)	24,635	(98,755)	24,635
Tax expense	(2,711)	(3,012)	(2,711)	(3,012)
(Loss)/Profit for the period	(101,466)	21,623	(101,466)	21,623
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	36,278	4,174	36,278	4,174
- Fair value gain on cash flow hedge	7,006	2,880	7,006	2,880
Total comprehensive (loss)/ income for the period	(58,182)	28,677	(58,182)	28,677
(Loss)/Profit for the period attributable to:				
Owners of the Company	(60,658)	11,868	(60,658)	11,868
Non-controlling interests	(40,808)	9,755	(40,808)	9,755
	(101,466)	21,623	(101,466)	21,623
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(29,611)	16,823	(29,611)	16,823
Non-controlling interests	(28,571)	11,854	(28,571)	11,854
	(58,182)	28,677	(58,182)	28,677

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Sep 2022 RM'000	Preceding year corresponding quarter 30 Sep 2021 RM'000	Current period 30 Sep 2022 RM'000	Preceding year corresponding period 30 Sep 2021 RM'000
EBITDA	(89,908)	28,762	(89,908)	28,762
(Loss)/Earnings per share attributable to owners of the Company:				
- Basic (Sen)*	(6.16)	1.25	(6.16)	1.25
- Diluted (Sen)	#	#	#	#

* For comparative purpose, the basic earnings per share for the preceding year corresponding quarter and the preceding year corresponding period ended 30 September 2021 had been adjusted to reflect the bonus issue of 8 new ordinary shares for every 2 existing ordinary shares held which was completed on 21 December 2021.

anti-dilutive in nature

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2022**

	Note	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		257,487	248,988
Intangible assets		19,916	92,799
Investment in associates		1,283	1,230
Derivative financial assets		8,551	2,975
Contract assets	A13	489,190	956,942
Total non-current assets		776,427	1,302,934
Current assets			
Contract assets	A13	1,187,996	1,190,822
Inventories		114,472	28,570
Trade receivables	A14	209,217	222,174
Other receivables		79,583	108,870
Amount due from associate		3,766	2,833
Tax recoverable		5,163	5,561
Cash and short-term deposits		164,944	168,980
		1,765,141	1,727,810
Assets held for sale	A21	554,838	-
Total current assets		2,319,979	1,727,810
Total assets		3,096,406	3,030,744
EQUITY AND LIABILITIES			
EQUITY			
Share capital		232,942	232,942
Treasury shares		(4,183)	(4,183)
Reserves		29,963	(1,084)
Retained earnings		364,808	425,466
		623,530	653,141
Perpetual SUKUK		100,000	100,000
Non-controlling interests		145,771	174,342
Total equity		869,301	927,483

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2022 (CONT'D)**

	Note	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		5,804	6,264
Lease liabilities	A16	11,612	10,579
Loans and borrowings	A16	798,168	780,147
Deferred tax liabilities		5,808	4,693
Trade payables		22,836	21,722
Total non-current liabilities		844,228	823,405
Current liabilities			
Contract liabilities	A13	-	2,377
Trade payables		646,763	572,431
Other payables		124,320	117,661
Lease liabilities	A16	2,124	2,256
Loans and borrowings	A16	604,417	581,358
Derivative financial liabilities		1,461	535
Tax payable		3,792	3,238
Total current liabilities		1,382,877	1,279,856
Total liabilities		2,227,105	2,103,261
Total equity and liabilities		3,096,406	3,030,744
Net assets per share (Sen)		88.29	94.20
Net assets per share attributable to Owners of the Company (Sen)		63.33	66.34

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022

	← 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 reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual SUKUK RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2022	232,942	(4,183)	(1,336)	24,855	8,534	(33,137)	425,466	653,141	100,000	174,342	927,483
Loss for the financial period	-	-	-	-	-	-	(60,658)	(60,658)	-	(40,808)	(101,466)
Other comprehensive income for the financial period	-	-	5,791	25,256	-	-	-	31,047	-	12,237	43,284
Total comprehensive income/(loss) for the financial period	-	-	5,791	25,256	-	-	(60,658)	(29,611)	-	(28,571)	(58,182)
At 30 September 2022	232,942	(4,183)	4,455	50,111	8,534	(33,137)	364,808	623,530	100,000	145,771	869,301

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2022
(CONT'D)**

	← Attributable to owners of the Company →										
	← Non-distributable →						Distributable				
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual SUKUK RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2021	212,672	(2,345)	(24,033)	570	8,534	(33,137)	419,290	581,551	48,550	131,611	761,712
Profit for the financial period	-	-	-	-	-	-	11,868	11,868	-	9,755	21,623
Other comprehensive income for the financial period	-	-	2,341	2,614	-	-	-	4,955	-	2,099	7,054
Total comprehensive income for the financial period	-	-	2,341	2,614	-	-	11,868	16,823	-	11,854	28,677
At 30 September 2021	212,672	(2,345)	(21,692)	3,184	8,534	(33,137)	431,158	598,374	48,550	143,465	790,389

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	3-months ended	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(98,755)	24,635
Adjustments for:		
Amortisation of intangible assets	1,454	1,213
Amortisation of unwinding discount of financial liability	457	403
Depreciation of property, plant and equipment	4,351	3,068
Fair value adjustment on assets held for sale	109,515	-
Fair value (gain)/loss on derivative financial instruments	(2,459)	1,972
Gain on disposal of property, plant and equipment	(148)	-
Interest expense	19,391	13,633
Interest income	(234)	(71)
Finance income arising from concession assets	(11,448)	(11,107)
Finance income arising from contract assets	(2,987)	(3,012)
Share of (profit)/loss of equity-accounted associate	(53)	60
Unwinding discount of financial liabilities	(2,137)	-
Unrealised gain on foreign exchange	(12,138)	(1,649)
Operating profit before working capital changes	4,809	29,145
Changes in working capital:		
Inventories	(85,148)	(2,396)
Receivables	34,818	(9,508)
Payables	61,618	13,147
Contract customers	9,836	(101,876)
Associate	(934)	(67)
Cash generated from/(used in) operations	24,999	(71,555)
Interest received	234	71
Interest paid	(19,391)	(13,633)
Tax refunded	-	1,000
Tax paid	(645)	(3,829)
Net cash from/(used in) operating activities	5,197	(87,946)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	148	-
Purchase of property, plant and equipment	(3,889)	(9,007)
Net cash used in investing activities	(3,741)	(9,007)
FINANCING ACTIVITIES		
Placement of fixed deposits and debt service reserve accounts with licensed institutions	(18,183)	(9,439)
Drawdown from borrowings	162,943	189,798
Repayment of borrowings	(171,805)	(164,392)
Net cash (used in)/from financing activities	(27,045)	15,967

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

	3-months ended	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000
CASH AND CASH EQUIVALENTS		
Net changes	(25,589)	(80,986)
Cash and cash equivalents at beginning of the period	3,929	156,841
Effect of foreign exchange translation	(2,607)	15,117
Cash and cash equivalents at end of the period	(24,267)	90,972
Represented by:		
Cash and bank balances	100,416	111,624
Fixed deposits with licensed financial institutions	64,528	27,329
Bank overdrafts	(51,944)	(20,682)
	113,000	118,271
Less:		
- Fixed deposits pledged to financial institutions	(64,528)	(27,299)
- Debt service reserve accounts	(72,739)	-
	(24,267)	90,972

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2022.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Accounting policies and basis of preparation

The condensed financial report is unaudited and has been prepared in accordance with MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed financial report should be read in conjunction with the audited financial statements presented in Annual Report for the financial year ended 30 June 2022.

The explanatory notes attached to the condensed financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company, its subsidiaries and associates since the financial year ended 30 June 2022.

The accounting policies and methods of computation adopted by the Group in this condensed financial report are consistent with those adopted in the most recent annual financial report for the year ended 30 June 2022, except for the adoption of the following:

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Annual Improvements to MFRS Standards 2018-2020	

The adoption of the abovementioned standard do not have a material impact on the financial statements of the Group.

Standards issued but not yet effective

The Group has 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 Company, its subsidiaries and associates:

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred tax related to Assets and Liabilities arising from a Single Transaction

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Accounting policies and basis of preparation (Cont’d)

Standards issued but not yet effective (Cont’d)

The Group has 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 Company, its subsidiaries and associates: (Cont’d)

Effective date deferred indefinitely

Amendments to MFRS 10 and
MFRS 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 and amendments are not expected to have any financial impacts to the financial statements.

A2. Seasonal or cyclical factors

The Group’s operations are not subject to seasonal or cyclical factors.

A3. Items of unusual nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter ended 30 September 2022.

A4. Material changes in estimates

There were no changes in estimates of amounts reported in previous financial year that have had a material effect for the current financial quarter ended 30 September 2022.

A5. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the current financial quarter ended 30 September 2022.

A6. Dividends paid

There were no dividends paid for the current financial quarter ended 30 September 2022.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A7. Changes in composition of the Group

There were no changes to the composition of the Group for the current financial quarter ended 30 September 2022.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 30 September 2022.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A9. Segmental information

The Group is organised into business units based on its products and services, which comprises the following:

- (a) Investment - Investment and property holding.
- (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.

	← Results for the quarter ended 30 September 2022 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	126,467	3,696	-	130,163
Inter-segment	4,610	16,248	2,282	(23,140)	-
Total revenue	4,610	142,715	5,978	(23,140)	130,163
Finance income	9,265	19,176	1	(11,636)	16,806
Finance costs	(8,188)	(25,390)	(327)	14,057	(19,848)
Net finance income/(expense)	1,077	(6,214)	(326)	2,421	(3,042)
Segment profit/(loss) before tax	4,275	(105,058)	(2,413)	4,441	(98,755)
Segment profit/(loss) after tax	3,446	(106,940)	(2,413)	4,441	(101,466)

	← Results for the quarter ended 30 September 2021 →				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	207,077	736	-	207,813
Inter-segment	4,503	99,384	22,001	(125,888)	-
Total revenue	4,503	306,461	22,737	(125,888)	207,813
Finance income	2,578	18,821	22	(7,231)	14,190
Finance costs	(2,005)	(18,792)	(339)	7,100	(14,036)
Net finance income/(expense)	573	29	(317)	(131)	154
Segment profit/(loss) before tax	(496)	30,323	(1,719)	(3,473)	24,635
Segment profit/(loss) after tax	(884)	27,699	(1,719)	(3,473)	21,623

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A9. Segmental information (Cont'd)

The Group is organised into business units based on its products and services, which comprises the following (Cont'd):

	← Results for the period ended 30 September 2022 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	126,467	3,696	-	130,163
Inter-segment	4,610	16,248	2,282	(23,140)	-
Total revenue	4,610	142,715	5,978	(23,140)	130,163
Finance income	9,265	19,176	1	(11,636)	16,806
Finance costs	(8,188)	(25,390)	(327)	14,057	(19,848)
Net finance income/ (expense)	1,077	(6,214)	(326)	2,421	(3,042)
Segment profit/(loss) before tax	4,275	(105,058)	(2,413)	4,441	(98,755)
Segment profit/(loss) after tax	3,446	(106,940)	(2,413)	4,441	(101,466)

	← Results for the period ended 30 September 2021 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	207,077	736	-	207,813
Inter-segment	4,503	99,384	22,001	(125,888)	-
Total revenue	4,503	306,461	22,737	(125,888)	207,813
Finance income	2,578	18,821	22	(7,231)	14,190
Finance costs	(2,005)	(18,792)	(339)	7,100	(14,036)
Net finance income/ (expense)	573	29	(317)	(131)	154
Segment profit/(loss) before tax	(496)	30,323	(1,719)	(3,473)	24,635
Segment profit/(loss) after tax	(884)	27,699	(1,719)	(3,473)	21,623

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A10. Tax expense

	Current year quarter 30 Sep 2022 RM'000	Preceding year corresponding quarter 30 Sep 2021 RM'000	Current period 30 Sep 2022 RM'000	Preceding year corresponding period 30 Sep 2021 RM'000
Tax expense	(2,711)	(3,012)	(2,711)	(3,012)

Tax is calculated at Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The group recognised income tax expense arising from profitable subsidiaries in accordance to the respective tax laws where the subsidiaries are tax residence.

A11. (Loss)/Earnings per share

A11.1. Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share for the financial period is based on the (loss)/profit attributable to owners of the Company and divided by the weighted average number of ordinary shares outstanding during the financial period.

	Current year quarter 30 Sep 2022	Preceding year corresponding quarter 30 Sep 2021	Current period 30 Sep 2022	Preceding year corresponding period 30 Sep 2021
(Loss)/Profit attributable to owners of the Company (RM'000)	(60,658)	11,868	(60,658)	11,868
Weighted average number of ordinary shares outstanding ('000)	984,555	951,465	984,555	951,465
Basic (loss)/earnings per share (Sen)	(6.16)	1.25	(6.16)	1.25

For comparative purpose, the basic earnings per share for the preceding year corresponding quarter and the preceding year corresponding period ended 30 September 2021 had been adjusted to reflect the bonus issue of 8 new ordinary shares for every 2 existing ordinary shares held which was completed on 21 December 2021.

A11.2. Diluted earnings per share

No diluted earnings per share is presented as the effect is anti-dilutive.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A12. Property, plant and equipment

During the current financial year, the Group acquired property, plant and equipment amounting to RM3.9 million.

A13. Contract assets

	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
Contract assets		
Contract assets from a customer on concession arrangement	-	555,979
Contract assets from customers on construction contracts	1,677,186	1,591,785
	1,677,186	2,147,764
Presented as:		
Non-current	489,190	956,942
Current	1,187,996	1,190,822
	1,677,186	2,147,764
Contract liabilities		
Contract liabilities from customers on construction contracts	-	2,377

A14. Trade receivables

The trade receivables of the Group were as follows:

	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
Trade receivables	71,221	82,405
Retention sums on contracts	137,996	139,769
	209,217	222,174

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A15. Cash and bank balances

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprising the following:

	Unaudited as at 30 Sep 2022 RM'000	Unaudited as at 30 Sep 2021 RM'000
Cash and bank balances	164,944	111,624
Fixed deposits with licensed institutions	-	27,329
Bank overdrafts	(51,944)	(20,682)
	113,000	118,271
Less:		
- Fixed deposits pledged to financial institutions	(64,528)	(27,299)
- Debt service reserve accounts	(72,739)	-
	(24,267)	90,972

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	11,612	10,579
Term loans	798,168	780,147
	809,780	790,726
Current liabilities		
Secured:		
Lease liabilities	2,124	2,256
Term loans	126,112	119,459
Bank overdrafts	51,944	45,967
Bankers' acceptances	79,101	24,653
Trust receipts	86,800	129,596
Revolving credit	260,460	261,683
	606,541	583,614
	1,416,321	1,374,340

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A16. Borrowings and debts securities (Cont’d)

The currencies exposure profile of borrowings of the Group was as follows:

	Unaudited as at 30 Sep 2022 RM’000	Audited as at 30 June 2022 RM’000
Ringgit Malaysia	425,394	416,821
United States Dollar	990,301	950,262
Chinese Renminbi	626	587
Euro	-	6,670
	1,416,321	1,374,340

A17. Material events subsequent to the end of interim period reported

On 6 October 2022, the wholly-owned subsidiary of the Company, PESTECH Sdn. Bhd. received a Letter of Award (“LOA”) from Tenaga Nasional Berhad (“TNB”) for supply and delivery of 60,000 units of Single Phase smart meter for Advanced Metering Infrastructure at a total contract amount of RM11,100,000.

On 20 October 2022, the 60% indirect-owned subsidiary of the Company, Diamond Power Limited (“DPL”) has entered into a Business Transfer Agreement (“BTA”) with Cambodian Transmission II Co. Ltd (“CTL II”), a wholly-owned subsidiary of Leader Transmission Limited, in relation to the Proposed Disposal of 230kV Kampong Cham-Kratie Transmission System by DPL to CTL II for a total consideration of USD118,000,000, subject to such terms and conditions in the BTA (“Proposed Disposal”). The Proposed Disposal is expected to be completed by 31 December 2022.

A18. Financial guarantees

Corporate guarantees extended by the Company to financial institutions for credit facilities granted to subsidiaries as at the end of the financial period were as follows:

	Unaudited as at 30 Sep 2022 RM’000	Audited as at 30 June 2022 RM’000
Secured facilities outstanding as at:		
Lease liabilities of the Group	13,674	12,835
Loan and borrowings of subsidiaries	1,318,337	1,280,350

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to banks, financial institutions and suppliers requiring parent guarantees as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of “at market” terms and hence the fair value of the credit facilities is equal to the credit facilities amount received by the subsidiaries. As such, there is no value on corporate guarantee to be recognised in the financial statements.

PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A19. Capital commitments

The outstanding capital commitments at the end of the financial period were as follows:

	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
Approved and contracted for:		
- Acquisition of a motor vehicle	2,406	2,406
- Acquisition of a land	2,491	2,491

A20. Significant related party transactions

The Group had the following transactions during the financial period under review with related parties in which certain directors and key senior management of the Company have substantial financial interest:

	Unaudited as at 30 Sep 2022 RM'000	Audited as at 30 June 2022 RM'000
Related parties by virtue of common directors and key senior management:		
Sales	-	162
Purchased of material and services rendered	215	8,274

A21. Assets held for sale

As stated in Note A17 above, DPL has entered into a BTA with CTL II for the disposal of assets related to 230kV Kampong Cham-Kratie Transmission System. Pursuant to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the related assets is reclassified as Assets Held For Sale.

The details are as follows:

	Unaudited as at 30 Sep 2022 RM'000
Intangible asset	581,856
Contract assets from a customer on concession arrangement	75,071
Prepayment	7,426
	664,353
Less: Fair value adjustment on assets held for sale	(109,515)
	554,838

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

B1. Review of performance

(a) Performance of the current quarter against the same quarter in the preceding year

	Current year quarter 30 Sep 2022 RM'000	Preceding year corresponding quarter 30 Sep 2021 RM'000	Changes	
			RM'000	%
Revenue	130,163	207,813	(77,650)	-37%
(Loss)/Profit before tax ("PBT")	(98,755)	24,635	(123,390)	-501%
(Loss)/Profit after tax ("PAT")	(101,466)	21,623	(123,089)	-569%

The Group registered a revenue of RM130.2 million for the current quarter under review as compared to RM207.8 million for the preceding year corresponding quarter. The revenue of the Group reflects the stage of completion for various projects during the quarter under review. The Group registered a lower revenue mainly due to lower contribution from the Rail Division as most of the current active rail projects are at their tail end and the new ones are at the beginning stage as of 30 September 2022.

The loss before and after tax in current quarter were mainly due to one-off fair value adjustment on Assets Held for Sale (as stated in Note A21) amounting to RM109.5 million, as a result of writing down the carrying amount to their fair value less costs to sell, pursuant to MFRS 5.

Excluding the one-off fair value adjustment above, the Group recorded PBT and PAT for the quarter at RM10.8 million and RM8.0 million respectively. The PAT margin for the quarter under review and preceding year corresponding quarter were 6% and 10% respectively.

(b) Performance of the current quarter against the immediate preceding quarter

	Current year quarter 30 Sep 2022 RM'000	Immediate preceding quarter 30 June 2022 RM'000	Changes	
			RM'000	%
Revenue	130,163	132,108	(1,945)	-1%
Loss before tax ("LBT")	(98,755)	(9,840)	(88,915)	904%
Loss after tax ("LAT")	(101,466)	(10,631)	(90,835)	854%

The Group recorded revenue of RM130.1 million for the current quarter under review as compared to RM132.1 million for the immediate preceding quarter. The revenue of the Group reflects the stage of completion for various projects during the quarter under review.

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

B1. Review of performance (Continued)

(b) Performance of the current quarter against the immediate preceding quarter (Continued)

The loss before and after tax in current quarter were mainly due to one-off fair value adjustment on Assets Held for Sale (as stated in Note A21) amounting to RM109.5 million, as a result of writing down the carrying amount to their fair value less costs to sell, pursuant to MFRS 5.

Excluding the one-off fair value adjustment above, the Group recorded PBT and PAT for the quarter at RM10.8 million and RM8.0 million respectively. The PAT margin for the quarter under review was 6%, this represents a significant improvement compared to LAT margin of 8% of immediate preceding quarter.

B2. (Loss)/Profit before tax

Included in the (loss)/profit before tax are the following items:

	Current year quarter 30 Sep 2022 RM'000	Preceding year corresponding quarter 30 Sep 2021 RM'000	Current period 30 Sep 2022 RM'000	Preceding year corresponding period 30 Sep 2021 RM'000
Amortisation of intangible assets	1,454	1,213	1,454	1,213
Amortisation of unwinding discount of financial liability	457	403	457	403
Depreciation of property, plant and equipment	4,351	3,068	4,351	3,068
Fair value adjustment on assets held for sale	109,515	-	109,515	-
Fair value (gain)/loss on derivative financial instruments	(2,459)	1,972	(2,459)	1,972
Gain on disposal of property, plant and equipment	(148)	-	(148)	-
Interest expense	19,391	13,633	19,391	13,633
Interest income	(234)	(71)	(234)	(71)
Finance income arising from concession assets	(11,448)	(11,107)	(11,448)	(11,107)
Finance income arising from contract assets	(2,987)	(3,012)	(2,987)	(3,012)
Unwinding discount of financial liability	(2,137)	-	(2,137)	-
Unrealised gain on foreign exchange	(12,138)	(1,649)	(12,138)	(1,649)

PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B3. Prospects

The first quarter financial results was adversely impacted by the one-off loss arising from the fair value adjustment on assets held for sale with respect to the Proposed Disposal by Diamond Power Limited (“DPL”), as stated in Note A17.

Even though the loss is not operationally induced, the management is still cautious of the challenges our business may face in the next few quarters. The external challenges like inflation risk, volatile currency market and the uncertain political climate are putting our team towards a more conservative mode in the near future.

The ongoing proposed business transfer exercise undertaken by DPL, as announced on 20 October 2022 and 8 November 2022, is a mean to monetise our concession investment, to prepare the Group with working capital for EPMCC projects in the region as well as to improve capital composition of the Group. This in turn would strengthen the overall financial position of the Group moving forward.

We hope to deliver better performance in the coming quarters focusing on the execution of outstanding jobs in hand, building onto order book balance, and steering through the external challenges with improved efficiency and tenacity.

B4. Profit forecast and profit guarantee

There were no profit forecasts or profit guarantees in any public document by the Group.

B5. Corporate Proposal

On 14 February 2022, the Company announced that Bursa Securities has, vide its letter dated 11 February 2022, resolved to approve the listing of and quotation for up to 105,051,200 new PESTECH Shares to be issued pursuant to the Proposed Private Placement.

The approval granted by Bursa Securities is subject to the following conditions:

- (i) PESTECH and Affin Hwang IB must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement;
- (ii) PESTECH and Affin Hwang IB to inform Bursa Securities upon completion of the Proposed Private Placement; and
- (iii) PESTECH and Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed.

On 23 March 2022, 36,854,600 new ordinary shares (“Placement Shares”), being first tranche of Placement Shares were issued at RM0.55 each.

Bursa Malaysia Securities Berhad had, vide its letter dated 1 August 2022, resolved to grant the Company a further extension of time of 6 months from 11 August 2022 until 10 February 2023 for the Company to implement and complete the Private Placement.

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B6. Status of Utilisation of Proceeds Raised from Private Placement**

The actual utilisation of the total gross proceeds of RM20,270,030 raised from the Private Placement on 23 March 2022 were as below:

Purpose	As of 30 September 2022			Intended timeframe for utilisation
	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Proceeds RM'000	
Working capital	19,982	19,638*	344	12 months from private placement date
Estimated expenses in relation to the Private Placement	288	288	-	
	20,270	19,926	344	

* The utilisation of the proceeds from the Private Placement amounting to RM13.6 million and RM6.0 million are for MRT2 Project and KLIA Project respectively.

B7. Material litigation

The Group has not engaged in any litigation which will have a material effect on the business or financial position of the Group except for the following:

(i) In the matter of the adjudication proceedings between PESTECH Sdn. Bhd. (“PSB”) and Dhaya Maju Infrastructure (Asia) Sdn. Bhd. (“DMIA”)

On 16 February 2021, PSB, a wholly-owned subsidiary of the Company, commenced adjudication proceedings against DMIA to recover monies due and owing by DMIA for works carried out by PSB in relation to the design, construction, completion, testing, commission and maintenance of the system works carried out under a letter of award dated 17 March 2016 for a project known as “Projek Menaiktaraf Kemudahan Infrastruktur Landasan Keretapi Berkembar di Lembah Klang (KDVT)”.

On 27 May 2021, the adjudicator found in favour of PSB, allowing PSB’s claim in the sum of RM21,046,922.69 and awarded interest as well as costs in favour of PSB (“Adjudication Decision”).

Pursuant to the Adjudication Decision, DMIA was directed to pay a total sum of approximately RM21,649,987.73 (including costs of the said adjudication proceedings) plus interests to PSB (“Total Adjudicated Amount”).

On 31 May 2021, PSB had filed an application in the High Court to enforce the Adjudication Decision (“PSB’s Enforcement Application”). DMIA filed an application in the High Court to set aside the Adjudication Decision (“DMIA’s Setting Aside Application”) on 16 July 2021.

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

B7. Material litigation (Continued)

(i) In the matter of the adjudication proceedings between PESTECH Sdn. Bhd. (“PSB”) and Dhaya Maju Infrastructure (Asia) Sdn. Bhd. (“DMIA”) (Continued)

As part of an agreement for DMIA to settle the outstanding amounts due and owing to the Company under the Adjudication Decision, both the PSB’s Enforcement Application and the DMIA’s Setting Aside Application were withdrawn with the consent of both parties on 26 November 2021, with liberty to file afresh.

As at 31 October 2022, DMIA has made a total payment in the sum of RM21,649,987.73 towards the Total Adjudicated Amount.

(ii) In the matter of the adjudication proceedings between PESTECH Technology Sdn. Bhd. (“PTE”) and Lion Pacific Sdn Bhd (“LPSB”)

On 30 October 2019, PTE, a wholly-owned subsidiary of the Company, obtained an adjudication decision in their favour as a result of the adjudication proceedings initiated by PTE against LPSB under the Construction Industry Payment & Adjudication Act 2012 for non-payment of works done pursuant to the sub-contract with LPSB, whereby LPSB appointed PTE as a sub-contractor to complete the systems package works (“Works”) in the project known as "Extension of the Rail Link from the Subang Commuter Station to Subang Skypark Phase 1" (“Project”).

The adjudicator found in favour of PTE that LPSB shall pay a total sum of approximately RM12,522,732.71 plus interests to PTE (“PTE Adjudication Decision”).

On 19 February 2020, LPSB filed applications in the High Court to set aside/stay the PTE Adjudication Decision (“LPSB’s Setting Aside / Stay Application”).

On 23 July 2020, PTE filed an application to enforce the PTE Adjudication Decision (“PTE’s Enforcement Application”).

On 29 September 2020, the High Court dismissed LPSB’s Setting Aside / Stay Application and allowed PTE’s Enforcement Application.

Being dissatisfied with the High Court’s decision given on 29 September 2020, LPSB filed appeals to the Court of Appeal against the said High Court’s decision (“LPSB’s Appeals”).

The hearing for LPSB’s Appeals came up on 27 October 2021. The Court of Appeal allowed LPSB’s Appeals and the PTE Adjudication Decision was effectively set aside.

Being dissatisfied with the Court of Appeal’s decision given on 27 October 2021, PTE filed applications for leave to appeal to the Federal Court on 23 November 2021 (“PTE’s Leave for Appeal”).

**PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

B7. Material litigation (Continued)

(ii) In the matter of the adjudication proceedings between PESTECH Technology Sdn. Bhd. (“PTE”) and Lion Pacific Sdn Bhd (“LPSB”) (Continued)

The hearing before the Federal Court for the PTE’s Leave for Appeal was fixed on 1 November 2022. The Federal Court had allowed PTE’s Leave for Appeal, i.e., PTE may appeal to the Federal Court against the Court of Appeal’s decision. Pursuant to the leave, PTE filed the relevant notices of appeal on 14 November 2022. The case management for the appeal at the Federal Court is fixed on 30 December 2022, amongst others, to fix hearing dates.

(iii) In the matter of the High Court proceedings between PTE and LPSB

On 2 March 2021, LPSB initiated a further suit in the High Court against PTE, raising new allegations arising out of the Works under the Project (“New High Court Suit”).

PTE in turn filed an application to stay the New High Court Suit pending arbitration pursuant to Section 10 of the Arbitration Act 2005 (“PTE’s Stay Application”).

On 20 October 2021, the High Court allowed the PTE’s Stay Application.

Being dissatisfied with the High Court’s decision given on 20 October 2021, LPSB filed an appeal to the Court of Appeal against the said decision of the High Court (“LPSB’s Stay Appeal”).

However, before the LPSB’s Stay Appeal was heard before the Court of Appeal, PTE and LPSB have entered into a Consent Judgment, wherein parties have agreed to proceed with the New High Court Suit at the High Court.

This matter is fixed for a case management before the High Court on 21 November 2022. LPSB requested for more time to file the Reply and Defence to Counterclaim until 28 November 2022. The Court allowed and fixed the next case management on 8 December 2022.

PART B : ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B7. Material litigation (Continued)

(iv) In the matter of the arbitration proceedings between Transgrid Ventures Sdn Bhd (“TGV”) and Colas Rail System Engineering Sdn Bhd (now known as CRSE Sdn Bhd) (“CRSE”)

On 18 December 2017, TGV commenced arbitration proceedings against CRSE, a wholly-owned subsidiary of PTE, for an alleged outstanding sum of RM29,362,000.00 under the sub-contract entered into between the parties vide a letter of award dated 10 January 2017 (“Impugned LOA”) (“Original Claims”).

On 31 October 2019, CRSE obtained the arbitration award with costs totalling approximately RM383,414.79 granted in their favour (“CRSE Arbitration Award”).

However, TGV commenced 2 applications in the High Court to claim for the Original Claims (“Section 42 Application”) and to vary and set aside the CRSE Arbitration Award (“Section 37 Application”). Concurrently, CRSE filed an application to the High Court to enforce and recognise the CRSE Arbitration Award against TGV (“CRSE Enforcement Application”).

In respect of the Section 42 Application, the High Court dismissed TGV’s application on 6 October 2020, and TGV filed an appeal to the Court of Appeal on 2 November 2020 (“TGV COA Appeal 1”).

In respect of the Section 37 Application, the High Court dismissed TGV’s application on 11 January 2021, and TGV filed an appeal to the Court of Appeal on 8 February 2021 (“TGV COA Appeal 2”).

In respect of the CRSE Enforcement Application, the High Court allowed CRSE’s application on 11 January 2021 (“CRSE High Court Order”). On 8 February 2021, TGV filed an appeal to the Court of Appeal being dissatisfied with the CRSE High Court Order (“TGV COA Appeal 3”).

The TGV COA Appeal 1, TGV COA Appeal 2 and TGV COA Appeal 3 are fixed for case management on 8 December 2022 and hearing dates have not been fixed.

B8. Dividends

There were no dividends declared during the current financial quarter under review.

B9. Auditors’ report

There were no qualifications to the audited financial statements of PESTECH Group for previous financial year ended 30 June 2022.

B10. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors.