

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Mar 2023 RM'000	Preceding year corresponding quarter 31 Mar 2022 RM'000	Current period 31 Mar 2023 RM'000	Preceding year corresponding period 31 Mar 2022 RM'000
Revenue	97,264	192,634	329,333	582,982
Operating expenses	(155,792)	(181,698)	(384,149)	(529,511)
Other operating income	110	66	477	1,330
Other gains	837	2,576	9,443	830
Operating (loss)/profit	(57,581)	13,578	(44,896)	55,631
Fair value adjustment on concession asset	(725)	-	(109,067)	-
Share of profit of equity-accounted associate	75	190	341	393
(Loss)/Profit before interest and tax	(58,231)	13,768	(153,622)	56,024
Finance income	3,947	14,445	36,373	43,064
Finance costs	(23,758)	(15,721)	(62,262)	(47,574)
(Loss)/Profit before tax	(78,042)	12,492	(179,511)	51,514
Tax expense	(2,237)	(1,908)	(6,790)	(3,553)
(Loss)/Profit for the period	(80,279)	10,584	(186,301)	47,961
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
- Exchange translation differences	8,852	18,755	3,054	26,751
- Fair value gain on cash flow hedge	(6,030)	20	1,190	2,916
Total comprehensive (loss)/ income for the period	(77,457)	29,359	(182,057)	77,628
(Loss)/Profit for the period attributable to:				
Owners of the Company	(60,575)	6,522	(132,015)	25,743
Perpetual SUKUK-holders	-	270	2,923	1,746
Non-controlling interests	(19,704)	3,792	(57,209)	20,472
	(80,279)	10,584	(186,301)	47,961
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(58,864)	23,566	(129,290)	52,570
Perpetual SUKUK-holders	-	270	2,923	1,746
Non-controlling interests	(18,593)	5,523	(55,690)	23,312
	(77,457)	29,359	(182,057)	77,628

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2023 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Mar 2023 RM'000	Preceding year corresponding quarter 31 Mar 2022 RM'000	Current period 31 Mar 2023 RM'000	Preceding year corresponding period 31 Mar 2022 RM'000
EBITDA	(52,761)	18,460	(136,638)	68,876
(Loss)/Earnings per share attributable to owners of the Company: (Restated)				
- Basic (Sen)	(6.15)	0.69	(13.41)	2.71
- Diluted (Sen)	#	#	#	#

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
31 MARCH 2023**

	Note	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		241,336	248,988
Intangible assets		19,237	92,799
Investment in associates		1,571	1,230
Derivative financial assets		7,256	2,975
Contract assets	A13	435,035	956,942
Total non-current assets		704,435	1,302,934
Current assets			
Contract assets	A13	1,185,369	1,190,822
Inventories		95,931	28,570
Trade receivables	A14	197,482	222,174
Other receivables		569,846	108,870
Amount due from associate		4,043	2,833
Tax recoverable		5,055	5,561
Cash and short-term deposits		137,502	168,980
Total current assets		2,195,228	1,727,810
Total assets		2,899,663	3,030,744
EQUITY AND LIABILITIES			
EQUITY			
Share capital		232,942	232,942
Treasury shares		(4,183)	(4,183)
Reserves		1,641	(1,084)
Retained earnings		293,451	425,466
		523,851	653,141
Perpetual SUKUK		100,000	100,000
Non-controlling interests		118,652	174,342
Total equity		742,503	927,483

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2023 (CONT'D)**

	Note	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
EQUITY AND LIABILITIES (Cont'd)			
LIABILITIES			
Non-current liabilities			
Derivative financial liabilities		1,645	6,264
Lease liabilities	A16	10,303	10,579
Loans and borrowings	A16	734,863	780,147
Deferred tax liabilities		5,917	4,693
Trade payables		21,766	21,722
Total non-current liabilities		774,494	823,405
Current liabilities			
Contract liabilities	A13	-	2,377
Trade payables		595,999	572,431
Other payables		172,109	117,661
Amount due to Directors		3,042	
Lease liabilities	A16	2,306	2,256
Loans and borrowings	A16	602,868	581,358
Derivative financial liabilities		136	535
Tax payable		6,206	3,238
Total current liabilities		1,382,666	1,279,856
Total liabilities		2,157,160	2,103,261
Total equity and liabilities		2,899,663	3,030,744
Net assets per share (Sen)		75.42	94.20
Net assets per share attributable to Owners of the Company (Sen)		53.21	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 THIRD QUARTER AND PERIOD ENDED 31 MARCH 2023

	← Attributable to owners of the Company →							Total RM'000	Perpetual SUKUK RM'000	Non- controlling interests RM'000	Total equity RM'000
	← 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				
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)/Profit for the financial period	-	-	-	-	-	-	(132,015)	(132,015)	2,923	(57,209)	(186,301)
Other comprehensive income for the financial period	-	-	591	2,134	-	-	-	2,725	-	1,519	4,244
Total comprehensive income/(loss) for the financial period	-	-	591	2,134	-	-	(132,015)	(129,290)	2,923	(55,690)	(182,057)
Transaction with owners:											
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	-	-	(2,923)	-	(2,923)
At 31 March 2023	232,942	(4,183)	(745)	26,989	8,534	(33,137)	293,451	523,851	100,000	118,652	742,503

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2023
(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	-	-	-	-	-	-	25,743	25,743	1,746	20,472	47,961
Other comprehensive income for the financial period	-	-	2,371	24,456	-	-	-	26,827	-	2,840	29,667
Total comprehensive income for the financial period	-	-	2,371	24,456	-	-	25,743	52,570	1,746	23,312	77,628
Transaction with owners:											
Dividend paid	-	-	-	-	-	-	(3,806)	(3,806)	-	(107)	(3,913)
Distribution to Perpetual SUKUK-holders	-	-	-	-	-	-	(1,746)	(1,746)	-	-	(1,746)
Issuance of Perpetual SUKUK	-	-	-	-	-	-	-	-	42,150	-	42,150
Issuance of share capital pursuant to private placement	20,270	-	-	-	-	-	-	20,270	-	-	20,270
Derecognition of interest in a subsidiary	-	-	-	-	-	-	-	-	-	2,114	2,114
At 31 March 2022	232,942	(2,345)	(21,662)	25,026	8,534	(33,137)	439,481	648,839	92,446	156,930	898,215

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 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	9-months ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(179,511)	51,514
Adjustments for:		
Amortisation of intangible assets	3,942	3,099
Amortisation of unwinding discount of financial liability	1,020	1,226
Depreciation of property, plant and equipment	13,042	9,753
Fair value adjustment on concession asset	109,067	-
Fair value (gain)/loss on derivative financial instruments	(7,413)	1,156
Gain on disposal of property, plant and equipment	(157)	(230)
Interest expense	61,242	46,348
Interest income	(984)	(336)
Finance income arising from concession assets	(23,614)	(33,736)
Finance income arising from contract assets	(9,638)	(8,992)
Share of profit of equity-accounted associate	(341)	(393)
Unwinding discount of financial liabilities	(2,137)	-
Unrealised loss/(gain) on foreign exchange	1,445	(381)
Operating (loss)/profit before working capital changes	(34,037)	69,028
Changes in working capital:		
Inventories	(67,329)	(29,630)
Receivables	(447,984)	10,816
Payables	80,119	71,649
Contract customers	535,992	(97,162)
Associate	(2,184)	(3,123)
Cash generated from operations	64,577	21,578
Interest received	984	336
Interest paid	(61,242)	(46,348)
Tax refunded	-	7,799
Tax paid	(2,106)	(13,302)
Net cash from/(used in) operating activities	2,213	(29,937)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	227	230
Purchase of property, plant and equipment	(5,065)	(32,239)
Net cash used in investing activities	(4,838)	(32,009)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023 (CONT'D)

	9-months ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000
FINANCING ACTIVITIES		
Dividend paid	-	(3,806)
Dividend paid to non-controlling interests of a subsidiary	-	(107)
Distribution to Perpetual SUKUK-holders	(2,923)	(1,746)
Placement of fixed deposits and debt service reserve accounts with licensed institutions	(9,767)	(37,999)
Proceeds from issuance of share capital pursuant to private placement	-	20,270
Proceeds from issuance of Perpetual SUKUK	-	42,150
Drawdown from borrowings	604,825	703,183
Repayment of borrowings	(639,416)	(714,584)
Net cash (used in)/from financing activities	(47,281)	7,361
CASH AND CASH EQUIVALENTS		
Net changes	(49,906)	(54,585)
Cash and cash equivalents at beginning of the period	3,929	121,202
Effect of foreign exchange translation	274	(3,537)
Cash and cash equivalents at end of the period	(45,703)	63,080
Represented by:		
Cash and bank balances	74,939	147,130
Fixed deposits with licensed financial institutions	62,563	41,348
Bank overdrafts	(54,355)	(33,900)
	83,147	154,578
Less:		
- Fixed deposits pledged to financial institutions	(62,563)	(41,348)
- Debt service reserve accounts	(66,287)	(50,150)
	(45,703)	63,080

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 112	Income Taxes – Deferred tax related to Assets and Liabilities arising from a Single Transaction
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Effective for financial periods beginning on or after 1 January 2024

Amendment to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants

The initial application of the above standards and amendments are not expected to have any financial impacts to the financial statements.

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

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 31 March 2023 except for the following:

Diamond Power Limited (“DPL”), a 60% indirect-owned subsidiary of the Group had on 20 October 2022 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 Disposal of 230kV Kampong Cham-Kratie Transmission System (“Transaction”) by DPL to CTL II for a total consideration of USD118,000,000 subject to such terms and conditions in the BTA. On 22 March 2023, DPL and CTL II had mutually agreed in writing that the conditions precedent required for completion of the Transaction have been fulfilled and completed.

A Settlement Agreement dated 1 March 2023 was entered into Transgrid Ventures Sdn Bhd (“TGV”) and CRSE Sdn Bhd (f.k.a. Colas Rail System Engineering Sdn Bhd) (“CRSE”), a wholly owned subsidiary of the Group. Based on the Settlement Agreement, in consideration for the sum of RM20,000,000 to be paid by CRSE to TGV, TGV has agreed to withdraw Court of Appeal Civil Appeal (as detailed in Note B5 (iii)) subject to the terms and conditions in the Settlement Agreement.

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 31 March 2023.

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 31 March 2023.

A6. Dividends paid

There were no dividends paid for the current financial quarter ended 31 March 2023.

A7. Changes in composition of the Group

There were no changes to the composition of the Group for the current financial quarter ended 31 March 2023.

A8. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment for the current financial quarter ended 31 March 2023.

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 31 March 2023 —————→				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	95,411	1,853	-	97,264
Inter-segment	4,586	21,696	2	(26,284)	-
Total revenue	4,586	117,107	1,855	(26,284)	97,264
Finance income	8,814	10,836	-	(15,703)	3,947
Finance costs	(8,503)	(32,925)	(405)	18,075	(23,758)
Net finance income/(expense)	311	(22,089)	(405)	2,372	(19,811)
Segment profit/(loss) before tax	1,066	(80,979)	(3,069)	4,940	(78,042)
Segment loss after tax	(380)	(81,770)	(3,069)	4,940	(80,279)

	←————— Results for the quarter ended 31 March 2022 —————→				
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	Total RM'000
Revenue					
External customers	-	190,560	2,074	-	192,634
Inter-segment	4,504	27,441	1,519	(33,464)	-
Total revenue	4,504	218,001	3,593	(33,464)	192,634
Finance income	3,651	20,442	-	(9,648)	14,445
Finance costs	(2,297)	(23,472)	(283)	10,331	(15,721)
Net finance income/(expense)	1,354	(3,030)	(283)	683	(1,276)
Segment profit/(loss) before tax	2,433	18,874	(2,016)	(6,799)	12,492
Segment profit/(loss) after tax	1,911	17,488	(2,016)	(6,799)	10,584

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 31 March 2023 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	321,770	7,563	-	329,333
Inter-segment	13,827	65,862	9,445	(89,134)	-
Total revenue	13,827	387,632	17,008	(89,134)	329,333
Finance income	27,851	51,534	1	(43,013)	36,373
Finance costs	(25,437)	(86,479)	(1,047)	50,701	(62,262)
Net finance income/ (expense)	2,414	(34,945)	(1,046)	7,688	(25,889)
Segment profit/(loss) before tax	3,413	(186,514)	(7,673)	11,263	(179,511)
Segment profit/(loss) after tax	250	(190,141)	(7,673)	11,263	(186,301)

	← Results for the period ended 31 March 2022 →				→
	Investment RM'000	EPMCC RM'000	Product RM'000	Elimination RM'000	
Revenue					
External customers	-	579,028	3,954	-	582,982
Inter-segment	13,510	205,104	34,690	(253,304)	-
Total revenue	13,510	784,132	38,644	(253,304)	582,982
Finance income	9,544	62,413	1	(28,894)	43,064
Finance costs	(9,516)	(66,149)	(847)	28,938	(47,574)
Net finance income/(expense)	28	(3,736)	(846)	44	(4,510)
Segment profit/(loss) before tax	218	66,731	(6,290)	(9,145)	51,514
Segment profit/(loss) after tax	(855)	64,251	(6,290)	(9,145)	47,961

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

A10. Tax expense

	Current year quarter 31 Mar 2023 RM'000	Preceding year corresponding quarter 31 Mar 2022 RM'000	Current period 31 Mar 2023 RM'000	Preceding year corresponding period 31 Mar 2022 RM'000
Tax expense	(2,237)	(1,908)	(6,790)	(3,553)

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 based on chargeable income in accordance to the respective tax laws of the jurisdictions.

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 31 Mar 2023	Preceding year corresponding quarter 31 Mar 2022	Current period 31 Mar 2023	Preceding year corresponding period 31 Mar 2022
(Loss)/Profit attributable to owners of the Company (RM'000) (Restated)	(60,575)	6,522	(132,015)	25,743
Weighted average number of ordinary shares outstanding ('000)	984,555	951,465	984,555	951,465
Basic (loss)/earnings per share (Sen) (Restated)	(6.15)	0.69	(13.41)	2.71

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 RM5.1 million.

A13. Contract assets

	Unaudited as at 31 Mar 2023 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	1,620,404	1,591,785
	1,620,404	2,147,764
Presented as:		
Non-current	435,035	956,942
Current	1,185,369	1,190,822
	1,620,404	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 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Trade receivables	65,432	82,405
Retention sums on contracts	132,050	139,769
	197,482	222,174

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

A15. Cash and bank balances

The cash and bank balances of the Group were as follows:

	Unaudited as at 31 Mar 2023 RM'000	Unaudited as at 31 Mar 2022 RM'000
Cash and bank balances	74,939	147,130
Fixed deposits with licensed institutions	62,563	41,348
	137,502	188,478

A16. Borrowings and debts securities

Total borrowings of the Group were as follows:

	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Non-current liabilities		
Secured:		
Lease liabilities	10,303	10,579
Term loans	734,863	780,147
	745,166	790,726
Current liabilities		
Secured:		
Lease liabilities	2,306	2,256
Term loans	145,006	119,459
Bank overdrafts	54,355	45,967
Bankers' acceptances	24,443	24,653
Trust receipts	158,270	129,596
Revolving credit	220,794	261,683
	605,174	583,614
	1,350,340	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 31 Mar 2023 RM’000	Audited as at 30 June 2022 RM’000
Ringgit Malaysia	451,135	416,821
United States Dollar	897,179	950,262
Chinese Renminbi	793	587
Euro	1,233	6,670
	1,350,340	1,374,340

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

There was no material event subsequent to the end of the financial period, except for:

- i. On 3 April 2023, the wholly-owned subsidiary company, PESTECH Sdn. Bhd. (“PSB”) received the countersigned Formal Instrument of Agreement from DT Global Asia Pacific Pty. Ltd. (ACN 006 170 869), a company incorporated in Australia, for the contract to engineer, procure, construct and commission the PNG Power Limited (“PPL”) Arawa Mini Grid, Autonomous Region of Bougainville, Papua New Guinea, for the Economic and Social Infrastructure Program (“ESIP”) (hereinafter referred to as the “Project”) at a total contract price of AUD2,234,284.57 (“Contract Price”). Included in the Contract Price above are Provisional Sum totalling AUD430,000.

Over and above the Contract Price, there is an additional AUD1,270,573.56 Pre-Agreed Variation scope to be confirmed by 31 May 2023. Similarly, there is a Provisional Sum totalling AUD150,000 for selected items to be determined during the execution of the Project.

As such, the total potential contract price could be AUD3,504,858.13 for the entire full scope of the Project.

- ii. On 7 April 2023, a 60% owned subsidiary, Diamond Power Limited (“DPL”) has fully settled the term loan owing to a financial institution using the proceeds from the disposal of concession asset.
- iii. On 19 April 2023, PSB - Mega Linear Sdn. Bhd. (“MLSB”) Joint Venture received the Letter of Acceptance from Tenaga Nasional Berhad for the Contract TNB1563/2023 pertaining to the Asset Replacement & Refurbishment for Primary and Combind Equipment Including Autotransformer – PMU 275/132KV Cahaya Baru, Johor (“Project”) for RM34,856,000.00 exclusive of Sales and Service Tax.

The scope of this project is to supply, erect, testing and commissioning of the Project completed with relevant protection, cable and all associated civil works.

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

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 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Secured facilities outstanding as at:		
Lease liabilities of the Group	12,564	12,835
Loan and borrowings of subsidiaries	1,250,424	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.

A19. Capital commitments

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

	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Approved and contracted for:		
- Acquisition of a motor vehicle	-	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 31 Mar 2023 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	1,711	8,274

**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 31 Mar 2023 RM'000	Preceding year corresponding quarter 31 Mar 2022 RM'000	Changes	
			RM'000	%
Revenue	97,264	192,634	(95,370)	-50%
(Loss)/Profit before tax ("PBT")	(78,042)	12,492	(90,534)	-725%
(Loss)/Profit after tax ("PAT")	(80,279)	10,584	(90,863)	-858%

The Group registered a revenue of RM97.3 million for the current quarter under review as compared to RM192.6 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 long term EPC and Substation Division and the completion of one Rail project as well as a result of the disposal of concession assets in the current quarter.

The loss before and after tax in current quarter were mainly due to lower revenue being recognised in the current quarter under review compared to the revenue in preceding year corresponding quarter. The loss in the current quarter is also due to the absence of finance income from concession asset. The unrelenting interest hikes and the threats of an approaching inflation, had brought about impact onto the Group, affecting the Group both financially and also operationally.

The Group recorded loss before and after tax for the quarter at RM78.0 million and RM80.3 million respectively. The loss after tax margin for the quarter under review was 83% and the profit after tax margin for preceding year corresponding quarter was 5%.

**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**

	Current year quarter 31 Mar 2023 RM'000	Immediate preceding quarter 31 Dec 2022 RM'000	Changes	
			RM'000	%
Revenue	97,264	101,906	(4,642)	-5%
Loss before tax ("LBT")	(78,042)	(2,714)	(75,328)	-2776%
Loss after tax ("LAT")	(80,279)	(4,556)	(75,723)	-1662%

The Group recorded revenue of RM97.3 million for the current quarter under review as compared to RM101.9 million for the immediate preceding quarter. The revenue of the Group reflects the stage of completion for various projects during the quarter under review. Lower revenue in the current year quarter is mainly attributable to the disposal of concession assets in current year quarter. The revenue further decrease with the completion of delivery of smart meter to customer in immediate preceding quarter.

Higher loss before and after tax in current year quarter as compared to immediate preceding quarter were mainly due to one-off other operating expense in relation to the disposal of concession assets and out-of-court settlement (as detailed in Note B5 (iii)). The increase in interest rate charged by the lenders on the borrowings by the Group had also impacted the result in current year quarter.

The loss after tax margin for the quarter under review was 83% and for immediate preceding quarter was 4%.

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

B2. (Loss)/Profit before tax

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

	Current year quarter 31 Mar 2023 RM'000	Preceding year corresponding quarter 31 Mar 2022 RM'000	Current period 31 Mar 2023 RM'000	Preceding year corresponding period 31 Mar 2022 RM'000
Amortisation of intangible assets	1,271	1,040	3,942	3,099
Amortisation of unwinding discount of financial liability	283	415	1,020	1,226
Depreciation of property, plant and equipment	4,199	3,652	13,042	9,753
Fair value adjustment on concession asset	725	-	109,067	-
Litigation settlement	20,000	-	20,000	-
Fair value (gain)/loss on derivative financial instruments	559	(739)	(7,413)	1,156
Gain on disposal of property, plant and equipment	-	(72)	(157)	(230)
Interest expense	23,475	15,306	61,242	46,348
Interest income	(408)	(111)	(984)	(336)
Finance income arising from concession assets	(257)	(11,399)	(23,614)	(33,736)
Finance income arising from contract assets	(3,282)	(2,935)	(9,638)	(8,992)
Unwinding discount of financial liability	-	-	(2,137)	-
Unrealised (gain)/loss on foreign exchange	(702)	(2,336)	1,445	(381)

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

B3. Prospects

Amidst the dismal performance reported for the quarter under review, the management maintains its utmost tenacity in striving through this lingering difficult time of the organisation. It is necessary to caution that the overcasting circumstances may persist before a visible tide of turning around could be observed.

Multiple compounded adversities relegated the efforts of the Group in steering clear of the operational and financial difficulties. Efforts from all parties within the Group are required in order to step up the momentum to generate revenue from the balance order book that the Group has in hand. The balance order book of about RM1.56 billion as at 31 March 2023, indeed, provides the necessary backing to the Group in terms of potential conversion into revenue. However, we need the continued support from all stakeholders cohesively, in order for the Group to strive through this predicament.

We hope to reconstitute the confidence of various stakeholders, consolidate the available resources, and apply the most stringent and equitable operational and financial administration to demonstrate the commitment of the management in rebuilding the performance of the Group.

B4. Profit forecast and profit guarantee

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

B5. 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 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 its 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 and 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”).

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

B5. Material litigation (Continued)

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

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”).

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.

Accordingly, PTE filed its appeals to the Federal Court against the Court of Appeal’s decision on 14 November 2022.

However, before PTE’s appeals were heard before the Federal Court, PTE and LPSB had entered into the Consent Orders dated 17 May 2023, wherein parties have agreed to settle the matter. The Consent Orders dated 17 May 2023 were recorded before the panel of the Federal Court during the hearing of PTE’s Appeals fixed for 17 May 2023.

(ii) 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”).

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

B5. Material litigation (Continued)

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

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.

The matter in the High Court was fixed for case management before the High Court Judge on 29 March 2023. In the meantime, parties are required to comply with Pre-Trial Case Management Directions ("PTCM") issued by the Registrar.

(iii) 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 were fixed for case management on 12 January 2023. However, the Court of Appeal has adjourned this case management with no new date for the case management being fixed at the moment. Hearing dates for the appeals have not been fixed.

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

B5. Material litigation (Continued)

(iii) 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”) (Continued)

The case management in relation to TGV’s Appeals that took place on 25 January 2023, before the learned Registrar (after the case management previously fixed for 12 January 2023 was adjourned by the Court of Appeal).

During the said case management, TGV’s solicitors had informed the Court of Appeal that the Supplementary Record of Appeals containing the Grounds of Decision in relation to the proceedings at the High Court has been filed as per the Court of Appeal’s direction.

The Court of Appeal then directed as follows:-

- a.The hearing of the appeals is fixed on 29 September 2023;
- b.Parties to file its written submissions by 1 September 2023;
- c.Parties to file its written submissions in reply (if any) by 14 September 2023;
- d.Further case management fixed on 15 September 2023.

Subsequently, the hearing fixed on 29 September 2023 has been adjourned and now rescheduled to 27 October 2023.

A case management has also been fixed by the Court of Appeal on 22 February 2023 for the Court of Appeal to give its new directions on the filing of the written submissions.

During the said case management on 22 February 2023, the learned Registrar of the Court of Appeal gave the following directions:-

- a.Hearing of the Appeal is fixed on 27 October 2023;
- b.Parties are to file their respective Written Submissions on or before 28 September 2023;
- c.Parties are to file their respective Submissions in Reply, Executive Summary and the Common Core Bundle on or before 12 October 2023; and
- d.Case Management (e-Review) is fixed on 13 October 2023 to update the Court of Appeal on the status of filing of the aforesaid documents.

A Settlement Agreement dated 1 March 2023 was entered between TGV and CRSE. Based on the Settlement Agreement, in consideration for the sum of RM20,000,000 to be paid by CRSE to TGV, TGV has agreed to withdraw Court of Appeal Civil Appeal Nos. W-02(C)(A)-278-01 and W-02(C)(A)-279-02/2021 subject to the terms and conditions in the Settlement Agreement.

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

B6. Dividends

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

B7. Auditors' report

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

B8. Authorisation for issue

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